

TOWN OF HUBBARDSTON

HUBBARDSTON HOUSING PRODUCTION PLAN



Hubbardston Ad Hoc Affordable Housing Subcommittee of the Zoning Board of Appeals

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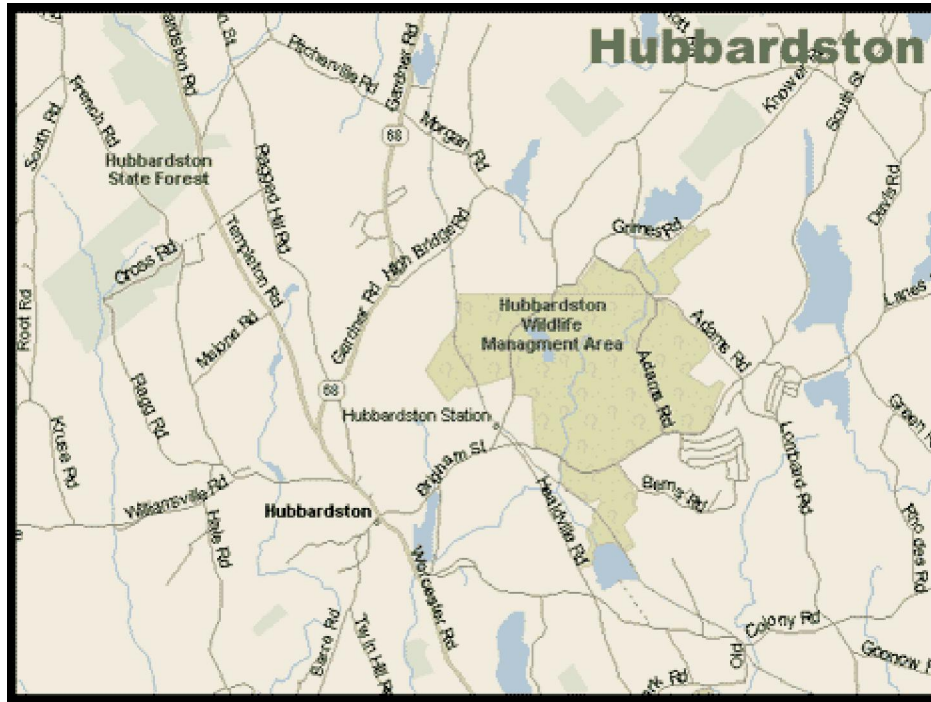
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I. EXECUTIVE SUMMARY

A. Introduction



The Town of Hubbardston, located in the hill country of Central Worcester County, is a small rural community with a population of about 4,600. A survey conducted by the Town in 2007, under the direction of the Board of Selectmen, indicated that residents were drawn to Hubbardston primarily because of its rural quality, enriched by natural beauty and a friendly and vibrant community spirit.

While many communities in Central Massachusetts have significant amounts of undeveloped land, the MDC is in control of a full 45% of the town's available land area as part of its efforts to protect the state's public water supply, removing the possibility of growth in almost half of the town. This has placed substantial pressures on the remaining areas of town where any new development will be focused.

While the town remains relatively small, during more recent years Hubbardston, like its neighbors, experienced significant growth, attracting new residents who were increasingly more willing to travel longer distances to work in order to live in an environmentally attractive town with more affordable housing costs, more moderate taxes and well-regarded schools. Growth has put significant pressures on local services and the housing market. Between 1970 and 1990, Hubbardston's population almost doubled in size, growing by 95%. Between 1990 and 2000 the town continued to grow, adding more than another thousand residents and 669 more since 2000 through June 9, 2009 with a small drop-off after that according to Town records.

As Hubbardston grows, it will face the challenge of increasing housing needs, including affordable housing, which is a major regional concern as housing costs have increased

substantially since 2000, spurred by the migration from more populated and expensive regions. The limited development of subsidized housing in the recent past has exacerbated the problem. Thus the combined effect of housing demand outstripping supply, relatively low vacancy rates, challenges in obtaining financing and increasing tax and energy bills create pressing housing needs despite some more recent fall-off in prices.

Town officials realized that they had a responsibility to take a leadership role to address affordable housing and prepared a Community Development Housing Plan, funded under Executive Order 418 in 2004, with the assistance of the Montachusett Regional Planning Commission (MRPC). Town officials are now taking further action to better understand and address the range of local housing needs through this Housing Production Plan.

This Housing Production Plan not only builds on the work that was prepared as part of the Community Development Plan, but will also meet the requirements under Massachusetts General Law Chapter 40B, 760 CMR 56.03(4), Housing Production, that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .50% over one year, or 1.0% over two-years, of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory. If Hubbardston produces at least seven (7) affordable units annually to meet these production goals through 2010¹, and DHCD certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications under certain conditions.² Production goals will also help guide actual new housing development and support the Town's progress towards meeting the state's 10% housing affordability goal.

B. Housing Goals, Objectives and Challenges

The Executive Order 418 planning process, which took place in 2003 and 2004, established the following overriding housing-related goal:

Increase housing opportunities for a broad range of income levels.

More specific housing objectives were also identified to guide further development of affordable housing, augmented more recently by Hubbardston's Ad Hoc Affordable Housing Subcommittee of the ZBA, including the following:

¹ When the 2010 census figures become available in 2011, this number will be somewhat higher.

² If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

- Increase affordable housing opportunities in a sustainable and fiscally responsible manner for a broad range of income levels and needs.
- Preserve Hubbardston's rural character as the town continues to grow.
- Increase the supply of affordable rental units and subsidized units, especially for seniors.
- Improve the condition of Hubbardston's present housing stock.
- Promote homeownership.
- Promote development that meets smart growth principles.³

It should be noted that smart growth is particularly challenging in more rural settings where infrastructure and transportation services are limited. The state continues to give priority consideration to funding applications that promote smart growth, and it will be essential for the town of Hubbardston to make every effort to integrate such principles into its planning and affordable housing initiatives.

While housing goals articulate a commitment to producing affordable housing in Hubbardston, it will be a great challenge for the Town to create enough housing to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including:

- *Zoning*
As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Hubbardston's Zoning By-law largely embraces large-lot zoning of 80,000 square feet, higher than most communities across the state. While this zoning was put in place to slow development, preserve the town's rural character, protect the water supply and accommodate septic systems in compliance with Title V requirements, the zoning maintains low housing densities, severely constrains the construction of affordable housing, and promotes sprawl that unless checked may ultimately degrade the community's rural charm, scenic resources, wildlife habitat, and air quality. The Zoning Bylaw does incorporate some provisions to diversify the housing

³ Smart growth development is a response to the problems associated with unplanned, unlimited suburban development – or sprawl – and calls for more efficient land use, compact development patterns, less dependence on the automobile, a range of diverse housing opportunities and choices, equitable allocation of the costs and benefits of development, and an improved jobs/housing balance. Some principles of smart growth development include: providing mixed-use development near the town and village centers; locating housing in close proximity to public transportation, where available; allowing higher density housing or mixed-use development near transit stops, along commercial corridors or in town and village centers; redeveloping environmentally impacted or brownfield sites; restoring vacant and abandoned residential buildings to productive use; converting vacant or underutilized former manufacturing, commercial or municipal buildings to housing; encouraging the development of housing and preservation of open space so that the goals of each will be mutually satisfied using techniques such as cluster zoning, transfer of development rights, or other innovative zoning or regulatory devices; promoting the redevelopment of vacant infill parcels; and participating in regional responses to addressing affordable housing needs.

stock and to cluster development based on smart growth principals, but it does not have any specific requirements for producing affordable housing with the exception of exempting affordable housing from a development rate limitation bylaw.

- *Infrastructure*

A major constraint and cost factor for new development relates to infrastructure, particularly the lack of sewer and water services throughout town that, with only minor exceptions, has the community completely reliant on wells and septic systems.

- *Environmental Concerns*

Hubbardston is home to regionally significant natural resources including the Chicopee (Ware River) Watershed and Millers River and Otto River Watersheds among many others. In fact most of Hubbardston lies within the Ware River Watershed, which forms the headwaters of the Chicopee River. This Watershed is designated as “Outstanding Resource Waters” as it has exceptional socio-economic, recreational, ecological and aesthetic value. These waters are known for their high quality drinking water and are used as a source of water supply either to the Quabbin Reservoir or directly to the Wachusett Reservoir through the Quabbin Aqueduct. As such, they have more stringent requirements than other waters because the existing use is so exceptional or the perceived risk of harm is such that no lowering of water quality is permissible. Approximately 45% of the town’s land area lies within these protective zones under the supervision of the Metropolitan District Commission (MDC). While regulations to protect the environment (e.g., wetlands, aquifers, septic systems) are important and essential, they present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing.

- *Transportation*

To accommodate new development, MRPC build-out projections anticipate that another 105 miles of roadway will be added to Hubbardston’s existing 88 miles. In view of present traffic and projected increases, it is essential that the Town evaluates and selects appropriate measures to relieve the impact of growth on traffic yet still grow incrementally, a formidable challenge. It is also worth noting that public transportation is limited and residents must rely on the automobile, which presents an additional cost burden for those with limited incomes, particularly those on fixed incomes.

- *School Enrollment*

Hubbardston has one school in town, the Hubbardston Central School that covers kindergarten through sixth grade. After that students attend the Quabbin Regional schools. Enrollments have been declining. For example, while the Hubbardston Central School is able to accommodate 500 students, it is now down to 474 with fewer classes per grade than in the past.

- *Availability of Subsidy Funds*

State and federal financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making

funding extremely competitive. However, Hubbardston has approved the Community Preservation Act that provides an important local resource for affordable housing. CPA funds are a proven mechanism for getting locally-sponsored development initiatives off the ground and leveraging essential public and private financing to make housing production efforts more feasible.

- *Community Perceptions*

While even the term “affordable housing” has had, at least for some, a negative connotation, given such high real estate prices, community perceptions are beginning to tilt towards the realization that affordable housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, as well as impending 40B developments, which is spurring communities such as Hubbardston to take a more proactive stance in supporting affordable housing initiatives. Also, once residents understand that the Town may be able to reserve up to 70% of the affordable units in any new development for those who have a connection to Hubbardston, as defined by the state and referred to as “community preference” units, greater local support is typically more forthcoming.⁴

C. Summary of Housing Needs Assessment

Table I-1 below summarizes demographic and housing characteristics in Hubbardston and compares this information to that for Worcester County and the state. This data confirms that Hubbardston has been a place where families have tended to come to purchase their own home and raise their children. Income levels have been a bit higher and poverty has been lower than the county and state as a whole. Almost all of the housing stock is in single-family, owner-occupied dwellings that have been relatively affordable, particularly in comparison to communities closer to Boston.

The information in Table I-1 shows some sizable differences and similarities from other communities in the region and the state, such as:

- *Population and Housing Growth*

From 1980 to 2000, Hubbardston’s population increased from 1,797 to 3,909 residents, an increase of 2,112 individuals or 118%, the highest rate of growth in the Montachusett region. Correspondingly, the number of housing units increased from 623 to 1,360, a gain of 737 units, also a 118% rate of growth, most of which were owner-occupied, single-family homes. While housing growth increased at a

⁴ “Community preference” units are allowed pursuant to submission of an Affirmative Fair Housing Marketing Plan, the requirements of which are promulgated by the state and last updated on June 25, 2008. These requirements include the following allowable preference categories:

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- Municipal employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- Employees of local businesses: Employees of businesses located in the municipality.
- Households with children attending the locality’s schools, such as METCO students.

slower rate in 1990 to 2000 than it did between 1980 and 1990, it still represented substantial growth for a small rural community. It was also a higher rate of growth than what was experienced in Worcester County and throughout Massachusetts.

Table I-1
Summary of Demographic and Housing Characteristics for
Hubbardston, Worcester County and the State
2000⁵

Characteristics	Hubbardston	Worcester County	Massachusetts
Household Characteristics			
Total Population	3,909/4,486*	750,963	6,349,097
Changes in Housing Growth 1980-1990 and 1990-2000	64.5% to 32.7%	16.5% to 6.7%	12.0% to 6.0%
% less than 18 years	31.1%	25.6%	23.6%
% 20 to 34 years	15.1%	19.4%	21.0%
% 45 to 54 years	15.8%	13.7%	13.8%
% 65 years or more	6.9%	13.0%	13.5%
Median age	35.9%	36.5 years	36.5 years
% non-family households	18.1%	32.2%	36%
Average household size	2.97 persons	2.56 persons	2.51 persons
Median income	\$61,462	\$47,874	\$50,502
Individuals in poverty	3.7%	9.2%	9%
% earning less than \$25,000	12%	25.7%	24.6%
% earning more than \$100,000	18.4%	14.8%	17.7%
Housing Characteristics			
% occupied housing	96.2%	95.2%	93.2%
% owner-occupied	91.4%	64.1%	61.7%
% renter-occupied	8.6%	35.9%	38.3%
% seasonal or occasional use	0.9%	1.0%	3.6%
% in single-family, detached structures	87.4%	56.2%	52.4%
Median sales price 2000/August 2010	\$144,500/\$201,250*	\$146,000/\$197,000*	\$185,700/\$277,000*

Source: U.S. Census Bureau, 2000 *Updated data from the Town of Hubbardston as of 3/10

* Figures from The Warren Group, September 28, 2010

⁵ This document attempts to update 2000 census data whenever possible but census data remains the primary source for most socio-economic and housing data for towns in Massachusetts.

- *Protected Open Space*

As noted above, 45% of the town's land area is protected and owned by the state's DCR. In addition to this substantial land area, the Wetlands Protection Act and the Riverfront Amendment (Cohen Bill) cover areas adjacent to these watershed protection zones and prohibits any building within 200 feet of these areas. Moreover, any building proposed within 200 to 400 feet of these zones requires DCR approval.

- *Age of Population*

In comparison to Worcester County and state in general, Hubbardston's population has tended to be on average a bit younger, with a median age of 35.9 years as opposed to 36.5 years for the county and state. Nevertheless, the town had a greater proportion of school-age children with 31.1% of the population less than 18 years of age versus 25.6% and 23.6% for the county and state, respectively. As of March 2010, this figure has been reduced significantly to 23.6%. However, the town has had a dwindling number of those aged 20 to 34 who are forming new families and entering the labor market, 15.1% of all households in Hubbardston (17% as of March 2010) but 19.4% for the county and 21% for the state. Increasing homeownership costs as well as limited employment opportunities in town are likely creating barriers for this age group and making it increasingly more likely that those who were raised in Hubbardston will relocate elsewhere to raise their own families.

On the other hand, Hubbardston had a higher percentage of those 45 to 54 years of age who are entering the prime of their earning potential and better able to afford the higher cost of housing, 15.8% as opposed to 13.7% for the county and similarly 13.8% for the state. The county and state have a comparable percentage of residents 65 years of age or older, 13.0% and 13.5% respectively, while Hubbardston had far fewer seniors who comprise only 6.9% of the town's residents, increasing to 9.6% as of March 2010.

- *Types of Households*

Hubbardston is primarily a town of families and consequently had a significantly lower proportion of non-family households, 18.1% versus 32.2% for the county and 36% for the state. This correlates to the relatively higher number of children in Hubbardston and the higher average household size of 2.97 persons as opposed to 2.56 persons in Worcester County and 2.51 persons in the state.

- *Higher Incomes*

Median income levels per the 2000 census were higher in Hubbardston than the county or state, \$61,462 as opposed to \$47,874 and \$50,500 for the county and state, respectively. Additionally, the percentage of those earning less than \$25,000 annually was substantially lower in Hubbardston, 12%, while it was 25.7% for the county and 24.6% for the state. Also, Hubbardston had a lower proportion of residents living in poverty, 3.7%, while the percentage for the county and state was at least 9.0%. Similarly, there was a higher portion of residents earning more than \$100,000, 18.4% as opposed to 14.8% for the county and 17.7% for the state.

- *Housing Market Conditions*

The 2000 median housing prices provides a comparison of Hubbardston's housing market to that of Worcester County and the state, with somewhat lower market values -- \$144,500 for Hubbardston, \$146,000 for the county and \$185,700 for the state. Since that time housing prices increased about 64% as of the end of 2008 when the median single-family house value was \$236,100, dipping to \$210,000 as of the end of 2009 and then to \$202,500 by August 2010. Many housing costs have escalated, however, as reflected in increased property taxes, rising energy bills and insurance costs, causing a serious financial strain on long-term residents, particularly those with fixed incomes. Also, the cash requirements to purchase a home have risen considerably over the past couple of years.

- *Supply of Workforce Housing*

The supply of housing for working families is dwindling somewhat as only ten (10) homes sold between January 2008 and March 5, 2009 for less than \$200,000 in 2008. Homes that were priced affordably in the past have increased substantially in value given market pressures, even in the context of the recent recession and slumping housing prices.

Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Hubbardston had 1,348 year-round housing units, of which 53 are counted as affordable, representing 3.9% of the year-round housing stock. To meet the state's 10% affordable housing goal under Chapter 40B of the Massachusetts General Laws, at least 135 of the existing units would have to be "affordable".⁶ This means that right now Hubbardston is short of the 10% standard by 82 affordable housing units. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.⁷

Based on this Housing Needs Assessment, there are a number of key indicators that suggest there are significant local needs for affordable housing that go beyond what is required to meet the 10% state goal including:

⁶ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

⁷ It should be noted that when 25% of the units in a rental development meet Chapter 40B requirements, all units can be counted towards the Subsidized Housing Inventory, but only the actual affordables, or 25%, can be counted in the SHI for homeownership projects.

1. *Households with Limited Incomes*

Need: More subsidized rental housing is necessary to make living in Hubbardston affordable to those workers and their families who have very limited financial means.

Goal: About half of the affordable units produced should be rental units.

2. *Gaps in Affordability and Access to Affordable Housing*

Need: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families as well as seniors looking to downsize.

Goal: About half of the affordable units produced should involve affordable homeownership.

3. *Disabilities and Special Needs*

Need: Some amount of new housing should be built adaptable or accessible to the disabled, including seniors, and/or integrate supportive services into the living environment.

Goal: 10% of all new housing units created should be handicapped adaptable and/or incorporate supportive services.

4. *Housing Conditions*

Need: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes.

Goal: Provide residents with information on current housing improvement programs operated by the Montachusett Regional Planning Commission and MassHousing and refer interested and potentially eligible property owners to them.

There is a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing in Hubbardston. A broader range of housing options is required to meet these varied needs.

D. *Summary of Production Goals*

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.⁸ Hubbardston would have to produce at least seven (7) affordable units annually to meet these production goals through 2010, a formidable challenge. This goal is likely to increase to at least eight (8) units after the next decennial census count becomes available and housing growth will continue to drive-up the 10% goal. If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny

⁸ The state has issued changes to Chapter 40B that included modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).

comprehensive permit applications.⁹ Production goals over the next five (5) years include the creation of 38 affordable units and a total of 80 housing units created that include 41 market rate units.

E. Summary of Housing Strategies

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning and Planning Strategies, Housing Production, and Housing Preservation – and categorized according to priority as those to be implemented within Years 1 and 2 and those within Years 3 to 5. A summary of these actions is included in Appendix 1. The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable.¹⁰

It should be noted however, that while a major goal of this Plan is to eventually meet the state's 10% goal under Chapter 40B, another important goal is to serve the range of local housing needs, and there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory.

Within the context of the compliance issues, local needs, existing resources, affordability requirements, and the goals listed in Section II of this Plan, the following housing strategies are offered for consideration. *It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.* Moreover, the proposed actions present opportunities to judiciously invest limited Community Preservation funding to build local capacity, modify or create new local zoning provisions and development policies, subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, as well as to help preserve the existing affordable housing stock.

1. Build Local Capacity

Specific actions to help build local capacity to meet local housing needs and production goals are summarized below. While these strategies do not directly produce affordable units, they provide

⁹ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

¹⁰ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

the necessary support to implement a proactive housing agenda and build local support for new affordable housing initiatives.

- *Establish a Housing Trust*
Hubbardston's Board of Selectmen should seek approval at Town Meeting for the establishment of a Municipal Affordable Housing Trust Fund and appoint members of the Board of Trustees. This Housing Trust would serve as the Town's permanent committee for overseeing housing issues and the implementation of the Housing Production Plan, managing the Affordable Housing Trust Fund, and defining policy issues that are in the public interest.
- *Conduct ongoing educational campaign*
Continue to engage the community in discussions on affordable housing to present information on the issue needed to dispel myths and negative stereotypes and to help galvanize local support, political and financial, for new production. Information and referrals for qualifying residents to provide assistance in making necessary home improvements, purchasing their first home, avoiding foreclosure, etc. can also be made available through greater community education and outreach.
- *Secure sufficient professional oversight*
Hire the necessary professional expertise with CPA funding to provide ongoing staff-support to effectively coordinate the implementation of various components of the Housing Plan.
- *Continue to apply for Commonwealth Capital scoring*
Continue to prepare and submit the scoring application under the state's Commonwealth Capital Program prior to applying for any of the state's capital spending programs or as required to be competitive for state discretionary program funding related to housing, infrastructure, transportation, economic development, etc.

2. *Zoning and Planning Strategies*

Housing production is contingent not only on actual development projects but on the regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town's Zoning Bylaw, and new tools will be required to capture more affordable units and better guide new development to specific "smarter" locations. The Town of Hubbardston should consider the following zoning-related strategies to provide appropriate incentives and guidance to promote the creation of additional affordable units.

- *Integrate affordable housing in the Open Space Residential Development (OSRD) bylaw*
The Town should consider amending the OSRD bylaw to better promote cluster development that is more economically feasible, better designed, and beneficial to the Town incorporating density bonuses for the integration of some amount of affordable housing to encourage mixed-income development and support project feasibility, to allow multi-family dwelling types beyond just two-unit structures, and reduce minimum parcel size and other dimensional requirements.

- *Adopt inclusionary zoning*
Adopt inclusionary zoning *with incentives* to ensure that any new residential development in Hubbardston provides a percentage of affordable units or cash in-lieu of units to be invested in the proposed Municipal Affordable Housing Trust Fund.
- *Allow affordable housing in nonconforming lots*
The Planning Board should explore zoning options for promoting starter homes or smaller homes for empty nesters on nonconforming lots.
- *Promote affordable housing in mixed-use development*
As local leaders plan for Hubbardston's future growth, some consideration should be given to how best to guide new commercial development to serve Hubbardston's growing population, including the promotion of particular areas of town where greater density will be allowed and housing can be integrated.
- *Create an inventory of Town-owned properties*
Representatives from the Ad Hoc Affordable Housing Subcommittee of the ZBA or proposed Housing Trust should work with other Town boards and committees such as the Planning Board, Board of Assessors, Open Space Committee and Conservation Commission to review the inventory of Town-owned property and determine which parcels might be appropriate for some amount of affordable housing.

3. *Housing Production Strategies*

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Hubbardston to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may involve on the participation of existing property owners, most of the production will rely on joint ventures with developers – for profit and non-profit – to create affordable units.

- *Make suitable public property available for affordable housing*
Conduct necessary feasibility studies to determine the feasibility of publicly-owned properties for affordable housing and convey suitable properties to selected developers through Requests for Proposals based on the Town's terms and conditions for development under the state Local Initiative Program (LIP) requirements.
- *Partner with private developers*
Reach out to area non-profit and for profit developers who have been active in producing affordable housing to discuss the Town's interest in promoting these units, possible areas and opportunities for new development, and priorities for new development that include the use of local zoning provisions, "friendly" comprehensive permits, the conversion of existing housing to long-term affordability and infill development.
- *Convert existing housing to affordability*
Preserve the affordability of the existing housing stock by converting some existing market units to state-defined "affordable" ones, thus insuring the long-term affordability of existing units. Because local market prices are fairly reasonable, with about 60% of the town's residential property assessed below \$300,000, this strategy may be a compelling one for Hubbardston.

II. INTRODUCTION

A. Statement of Purpose

The Town of Hubbardston, located in Central Worcester County, is approximately 42 square miles in size and is bordered by Gardner and Westminster on the northeast, Princeton and Rutland on the southeast, Barre on the southwest, and Phillipston and Templeton on the northwest. The town is 19 miles northwest of Worcester and 56 miles to the northwest of Boston.

Like many towns in the area, Hubbardston was settled in the early 18th century, in 1737, largely as an agricultural community with some small-scale manufacturing. Called the “Northeast Quarter” of Rutland, the Town was incorporated in 1767 and named for Thomas Hubbard, one of the original proprietors. The economy continued to be largely based on farming throughout the 19th century. Even as of 1940, Hubbardston’s rural population of 55.9% was the second highest in Worcester County, however by 2000 this level had dropped to only 1% as most residents now rely on jobs located outside the community.

While Hubbardston experienced an influx of immigrants from Ireland, French Canada, England, Sweden and Finland in the 19th century when they moved into the town to work with earlier settlers, the population was still little more than 1,000 residents in 1960, 1,217, but has grown substantially in more recent years as presented in Table II-1 and Figure II-1. Between 1970 and 1990, it almost doubled in size, growing by 95%. Hubbardston, like its neighbors, began attracting new residents who were increasingly more willing to travel longer distances to work in order to live in an environmentally attractive town with more affordable housing costs, more moderate taxes and well-regarded schools. Between 1990 and 2000 the town continued to grow, adding more than another thousand residents.

**Table II-1
Population Change
1960-2000**

Year	Population	Increase in # Residents	Percentage Change
1960	1,217	--	--
1970	1,437	220	18.1%
1980	1,797	360	25.0%
1990	2,797	1,000	55.6%
2000	3,909	1,112	39.8%
2008	4,481	572	14.6%
As of 6-9-09	4,578	97	2.2%
As of 3-30-10	4,486	-92	-2.0%

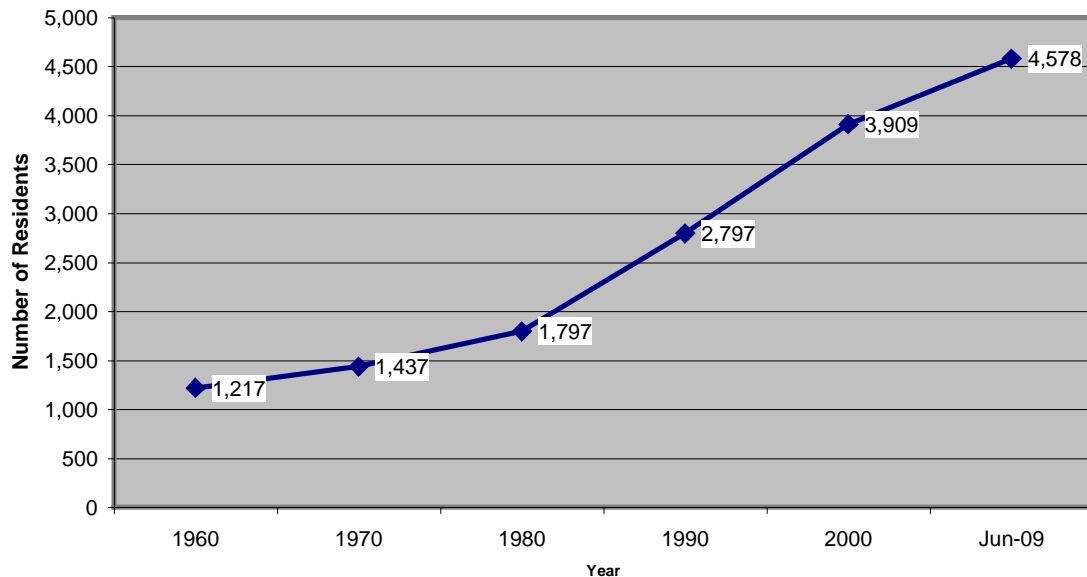
Source: U.S. Census Bureau and Hubbardston Town records.

Town records document that the population at the end of 2007 was 4,481, indicating that population growth had continued but at a somewhat slower pace with 572 new residents. Since then through June 9, 2009, the community added another 97 residents and then lost 92 residents with a total population count of 4,486 as of March 30, 2010. Population projections estimate that

the population will increase to almost 5,200 by 2010 and to 7,196 by 2020, both likely overestimating growth.

Figure I-1

Population Growth 1960-6/2009



Growth during the last several decades put significant pressures on local services and the housing market. In fact the number of housing units created between 1980 and 2000 more than doubled the housing stock, increasing by 737 units from 623 units in 1980 to 1,360 in 2000, a major change for a small rural community with little infrastructure including no municipal water and sewer services. This growth brought with it the challenge of increasing housing needs, including affordable housing, which is a major regional concern as housing costs have increased about 64% since 2000, spurred by the migration from more populated and expensive regions. The limited development of subsidized housing in the recent past has exacerbated the problem. Thus the combined effect of housing demand outstripping supply, relatively low vacancy rates, and increasing tax and energy bills create pressing housing needs.

Town officials realized that they had a responsibility to take a leadership role to address affordable housing and prepared a Community Development Housing Plan as a part of Executive Order 418 in 2004, with the assistance of the Montachusett Regional Planning Commission (MRPC). Town officials are now taking further action to better understand and address the range of local housing needs through the development of a Housing Needs Assessment, a significant component of this Housing Plan.

This Housing Plan represents not only a critical step forward in better understanding housing issues in Hubbardston, but provides the context for the Town to chart its own course on affordable housing development, preservation, and conversion. The Housing Production Plan will build on the work that was prepared as part of the Community Development Plan, updating important housing information and augmenting the housing element. It will also meet the requirements of Massachusetts General Law Chapter 40B, 760 CMR 56.03(4) under the state's

Chapter 40B comprehensive permit requirements that will allow the Town to deny unwelcome Chapter 40B applications under particular conditions. Moreover, the Plan will increase the Town's score under the state's Commonwealth Capital Program and make it more competitive for a wide range of state discretionary funding (see Appendix 3 for a description of this and other programs).

B. Definition of Affordable Housing

Affordable housing is not necessarily subsidized housing or what is commonly referred to as low-income housing. There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, the federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's income for determining eligibility for subsidized housing or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. If households are paying more than these thresholds, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe cost burdens.

Affordable housing is also defined according to percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$23,450 for a family of four for the Western Worcester County area) and very low-income is defined as households earning less than 50% of area median income (\$39,100 for a family of four). HUD's low-income definition refers to the range between 51% and 80% of area median income (\$62,550 for a family of four at the 80% level).

**Table II-2
2010 INCOME LEVELS FOR
AFFORDABLE HOUSING IN THE WESTERN WORCESTER COUNTY AREA**

# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	\$16,450	\$27,400	\$43,800
2	18,800	31,300	50,050
3	21,150	35,200	56,300
4	23,450	39,100	62,550
5	25,350	42,250	67,600
6	27,250	45,400	72,600
7	29,100	48,500	77,600
8	31,000	51,650	82,600

2010 Median Income for the Western Worcester County Area = \$65,000

Additionally, most state-supported housing assistance programs are targeted to households earning at or below 80% of area median income, as well as some at lower income thresholds. Middle-income had been defined under the state's Executive Order 418 as up to 150% of area median income. In general, programs that subsidize rental units are targeted to households earning within 60% of median income, however, first-time homebuyer programs typically apply

income limits of up to 80% to 100% of area median income. The state's Community Preservation Act allows resources to be directed to those earning up to 100% of area median income, generally referred to as the "community housing" range. Another income range that is referred to is "workforce housing", which generally includes those earning up to 120% of area median income but still priced out of the private housing market.

For the purposes of Chapter 40B, affordable housing is generally defined as housing units that are:¹¹

1. Subsidized by an eligible state or federal program;
2. Subject to a long term use restriction limiting occupancy to income eligible households earning at or below 80% of area median income for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units); and
3. Subject to an Affirmative Fair Housing Marketing Plan.

In counting a community's progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by local, state or federal programs that support low- and moderate-income households at or below 80% of area median income under Chapter 774 of the Acts of 1969. This is the legislation that established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Hubbardston had 1,348 year-round housing units, of which the state currently counts 53 units as affordable, representing 3.9% of the year-round housing stock. Hubbardston is vulnerable to losing control over housing development through Chapter 40B comprehensive permit applications and would need at least 82 more affordable units to meet the 10% standard based on the existing housing stock. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

Hubbardston is not alone in this quandary about what to do about affordable housing. Several of Hubbardston's neighbors also have affordable housing levels below the state target, and, most small towns, like Hubbardston, face significant challenges in meeting the 10% affordable housing goal. The level of housing affordability for surrounding municipalities is included in Table II-3 and visually presented in Figure II-2.

¹¹ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Table II-3
Subsidized Housing Inventory for Neighboring Municipalities

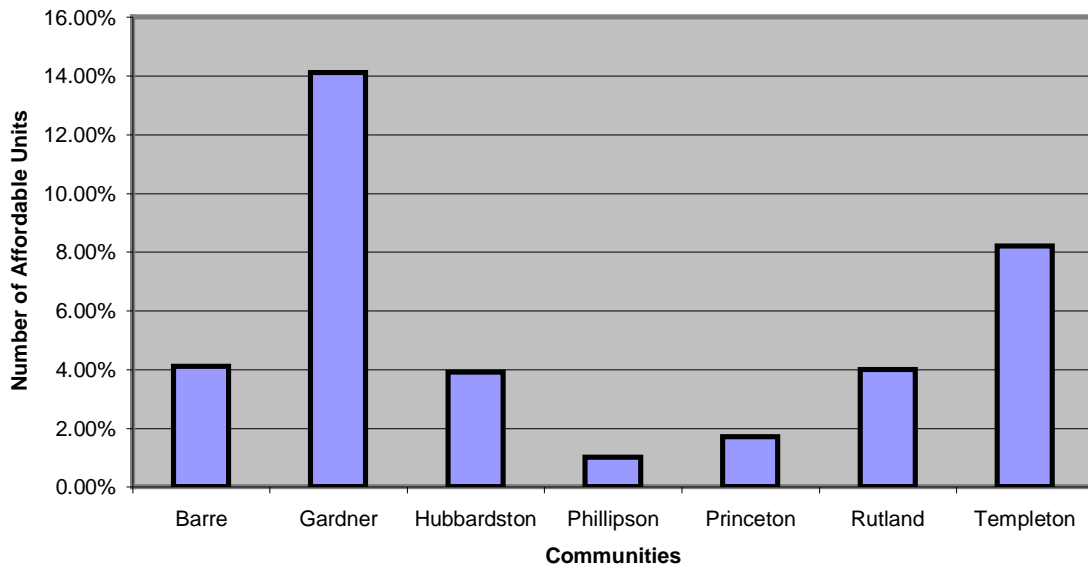
Municipality	Year-round Units	Affordable Units	% Affordable Units
Barre	1,981	82	4.1%
Gardner	8,804	1,243	14.1%
Hubbardston	1,348	53	3.9%
Phillipston	598	6	1.0%
Princeton	1,185	20	1.7%
Rutland	2,316	93	4.0%
Templeton	2,492	205	8.2%
Westminster	2,609	86	3.3%

Source: Massachusetts Department of Housing and Community Development, June 16, 2010.

The City of Gardner has surpassed the 10% state goal, as have most cities in Massachusetts. Like many of its neighbors, with the exception of Templeton at 8.2%, Hubbardston is in the mid-range at 3.9%, while both Phillipston and Princeton have only 1.0% and 1.7%, respectively.

Figure II-2

Number of Affordable Units



In recognition of pressing local needs, the Housing Production Plan will suggest a range of opportunities to meet specified local housing priorities and to bring Hubbardston closer to the state 10% threshold. The Plan will also set the stage for producing new units that will enable the town to better document and meet its local housing needs and allow the Town under certain conditions to reject unwanted Chapter 40B developments. Given past efforts in the area of affordable housing, creating the seven (7) units a year needed to meet production goals and exert greater control over new development will be a substantial challenge. Nevertheless, affordable

housing will come to Hubbardston, and this Plan provides a mechanism for the town to guide its creation as opposed to reliance on outside development interests.

C. Planning Process

With state funding under Executive Order 418, the Montachusett Regional Planning Commission (MRPC) prepared a Community Development Plan for the Town of Hubbardston in 2004. The Plan was prepared to help the community proactively plan to meet housing, economic development, open space protection, and transportation needs. The Housing Element assessed housing characteristics and housing-related trends, including a housing needs analysis as a foundation for establishing housing goals and objectives as well as recommendations for addressing housing needs.

The planning process established for the preparation of the Community Development Plan included a “visioning” phase to identify the points on which residents agreed and disagreed and to build a common framework for addressing needed change. Town assets and liabilities were also identified through community input. Assets included the small, rural nature of the community that was a “great place to raise kids and spend your whole life” with relatively low taxes, no traffic and historic buildings. Interestingly “no public transportation” beyond Council on Aging van service was identified as both an asset and liability. Other liabilities included loss of water quality, no sewer system, few businesses, road condition problems and lack of nursing homes and rest homes, among others. Of the top twelve identified community needs, five housing-related issues surfaced including the need for an affordable development for seniors, zoning-related reform, slowing housing growth, clarifying rules and regulations pertaining to “grandfathered” ownership, and providing education on Chapter 40B.

In 2007, the Hubbardston Board of Selectmen conducted a community survey to assess community interests, priorities and concerns to help Town officials in the delivery of essential services and programs. A total of 110 responses were received. Almost all respondents indicated that they liked living in Hubbardston because of its rural atmosphere and about half mentioned positive public safety issues. Twenty-four (24) respondents stated that they liked living in town because of lower housing costs. About one-third of the respondents indicated that they would or might consider using local funding to support a cluster development provision in the bylaws, the Open Space Residential Development. Besides one comment that groaned about passage of the Community Preservation Act unfortunately leading to greater external control and expenses, particularly related to community housing requirements, there were no other comments directly related to housing. On the whole, most respondents were pleased with most local services, few finding them inadequate with the exception of some highway maintenance concerns.

In 2008, Hubbardston’s Ad Hoc Affordable Housing Committee, a subcommittee of the Zoning Board of Appeals, sought and received CPA funding to support the development of a comprehensive Housing Production Plan. The Town issued a Request for Proposals and hired a consultant to prepare the documents.

D. Housing Goals and Objectives

As mentioned above, in 2003, as part of the development of the Community Development Plan, local residents and community officials attended a forum and interacted with their neighbors and local officials in a “visioning session”. Comments and ideas were expressed regarding the assets/strengths, liabilities/weaknesses and needs of the town related to four issue areas including housing, open space, economic development and transportation. Most people appeared to understand that growth will continue to occur and agree that Hubbardston’s “character” should remain as stable and as rural as possible and that managing future growth will enable the community to maintain most, if not all, of its amenities. This session evoked strong sentiment about the importance of planning for the future and resulted in the following overriding housing-related goal: *Increase housing opportunities for a broad range of income levels.*

More specific housing objectives were also identified to guide further development of affordable housing, augmented more recently by Hubbardston’s Ad Hoc Affordable Housing Committee, including the following:

- Increase affordable housing opportunities in a sustainable and fiscally responsible manner for a broad range of income levels and needs.
- Preserve Hubbardston’s rural character as the town continues to grow.
- Increase the supply of affordable rental units and subsidized units, especially for seniors.
- Improve the condition of Hubbardston’s present housing stock.
- Promote homeownership.
- Promote development that meets smart growth principles.¹²

It should be noted that smart growth is particularly challenging in more rural settings where infrastructure and transportation services are limited. The state continues to give priority consideration to funding applications that promote smart growth, and it will be essential for the town of Hubbardston to make every effort to integrate such principles into its affordable housing initiatives.

¹² Smart growth development is a response to the problems associated with unplanned, unlimited suburban development – or sprawl – and calls for more efficient land use, compact development patterns, less dependence on the automobile, a range of diverse housing opportunities and choices, equitable allocation of the costs and benefits of development, and an improved jobs/housing balance. Some principles of smart growth development include: providing mixed-use development near the town and village centers; locating housing in close proximity to public transportation, where available; allowing higher density housing or mixed-use development near transit stops, along commercial corridors or in town and village centers; redeveloping environmentally impacted or brownfields sites; restoring vacant and abandoned residential buildings to productive use; converting vacant or underutilized former manufacturing, commercial or municipal buildings to housing; encouraging the development of housing and preservation of open space so that the goals of each will be mutually satisfied using techniques such as cluster zoning, transfer of development rights, or other innovative zoning or regulatory devices; promoting the redevelopment of vacant infill parcels; and participating in regional responses to addressing affordable housing needs.

III. HOUSING NEEDS ASSESSMENT

A. Demographic Profile

1. Population and Household Growth

The Town of Hubbardston, in the period from 1960 to 2000, had a population increase of 221%, the bulk of growth happening between 1970 and 1990 with a jump of 95% in the town's population. Population growth was significant between 1980 and 1990, as the town added 1,000 people, increasing from 1,797 to 2,797, representing a 55.6% increase. Since 1990, the population growth rate dropped somewhat, increasing by 39.8% as the town added another 1,112 people, still representing substantial growth. In actual numbers the town grew from 1,212 to 3,909 residents between 1960 and 2000, an overall increase of 2,697 new residents.

Town records indicate that from 2000 to the end of 2007, the Town's population increased by another 572 residents, representing growth of 14.6%. The Town has added another 97 residents as of June 2009 for a total population of 4,578 and then appears to have lost 92 residents for a total population count of 4,486 as of March 30, 2010.

Table III-1
Population of Hubbardston
1960 - 2000

						Projected		'80-90'	'90-00' %
Year	1960	1970	1980	1990	2000	2010	2020	Change	Change
Hubbardston	1,217	1,437	1,797	2,797	3,909	5,197	7,196	55.6%	39.8%

Source: U.S. Census and Montachusett Regional Planning Commission (MRPC) projections

The population of Hubbardston represented only 1.7% of the regional population at 3,909 residents in 2000. The Montachusett region grew rapidly from 1980 to 1990, adding 21,440 people at a growth rate of 11%, and this growth continued between 1990 and 2000, though at a much slower rate of nearly 6%, adding another 12,434 people for a final population in 2000 of 228,005. In the decade of the 1990's, Hubbardston grew at a much higher rate than most of the other MRPC communities. *In fact it had the highest growth rate in the region growing by 55.6%.*

Based on projections developed by the Massachusetts Institute of Social and Economic Research (MISER), the region-wide population is expected to increase by nearly 4% between 2000 and 2010, and Hubbardston's population is expected to increase 32.9% based on an estimated population growth of 1,288 residents. By 2020, it was anticipated that the town would add still another 1,999 residents, an increase of 38% over 2010. Given the actual population growth of 572 new residents since 2000, based on Town records, these projections are unlikely to be realized as a slower growth pattern has recently emerged. Regional populations are also expected to increase, by 4% from 2000 to 2010 and by another 4.7% between 2010 and 2020, a projected slower rate than that for Hubbardston.

As Table III-2 indicates, Hubbardston had 1,797 residents in 1980, 2,797 in 1990 and 3,909 in 2000, representing a 118% increase over these two decades, more than doubling the population.

Table III-2
Population Changes in the Montachusett Region, 1980 to 2000

Community	Population			Change		Percent Change	
	1980	1990	2000	80-90	90-00	80-90	90-00
Ashburnham	4,075	5,433	5,546	1,358	113	33.3%	2.1%
Ashby	2,311	2,717	2,845	406	128	17.6%	4.7%
Athol	10,634	11,451	11,299	817	-152	7.7%	-1.3%
Ayer	6,991	6,837	7,287	-154	450	-2.2%	6.6%
Clinton	12,771	13,222	13,435	451	213	3.5%	1.6%
Fitchburg	39,580	41,194	39,102	1,614	-2,092	4.1%	-5.1%
Gardner	17,900	20,125	20,770	2,225	645	12.4%	3.2%
Groton	6,154	7,511	9,547	1,357	2,036	22.1%	27.1%
Harvard	3,744	4,448	5,981	704	1,533	18.8%	34.5%
Hubbardston	1,797	2,797	3,909	1,000	1,112	55.6%	39.8%
Lancaster	6,334	6,661	7,380	327	719	5.2%	10.8%
Leominster	34,508	38,145	41,303	3,637	3,158	10.5%	8.3%
Lunenburg	8,405	9,117	9,401	712	284	8.5%	3.1%
Petersham	1,024	1,131	1,180	107	49	10.4%	4.3%
Phillipston	953	1,485	1,621	532	136	55.8%	9.2%
Royalston	955	1,147	1,254	192	107	20.1%	9.3%
Shirley	5,126	5,739	6,373	613	634	12.0%	11.0%
Sterling	5,440	6,481	7,257	1,041	776	19.1%	12.0%
Templeton	6,070	6,438	6,799	368	361	6.1%	5.6%
Townsend	7,201	8,496	9,198	1,295	702	18.0%	8.3%
Westminster	5,139	6,191	6,907	1,052	716	20.5%	11.6%
Winchendon	7,019	8,805	9,611	1,786	806	25.4%	9.2%
Total	194,131	215,571	228,005	21,440	12,434	11.0%	5.8%

Source: US Decennial Census for 1980, 1990 and 2000

Table III-3 presents additional demographic data from the 1980, 1990 and 2000 census. This data indicates that the number of households has more than doubled, up 131%, from 566 in 1980 to 1,309 in 2000, with approximately 80% involving families with children. As of June 9, 2009, the town had 1,773 households. Hubbardston had a much higher level of families than the county or state as a whole where only about two-thirds of all households were families with children. The Montachusett Region had a slightly higher level of 74%, still lower than Hubbardston's. Only four communities in the region had a higher percentage of family households than Hubbardston, with Harvard being the highest at 83%.

Related to this factor, was average household size, which was 2.97 persons in 2000 for Hubbardston (an increase from 2.93 persons per household in 1990) and 2.56 persons and 2.51 persons, for the county and state, respectively. The level for the Montachusett

Region was 2.50 persons. The number of female-headed households with children has been very small with only 32 such households counted in 2000.

Table III-3
Demographic Characteristics
1980-2000

	1980		1990		2000	
	#	%	#	%	#	%
Total Population	1,797	100.0	2,797	100.0	3,909, 4,578*	100.0
Total # Households	566	100.0	954	100.0	1,309, 1,773*	100.0
Family Households **	469	82.9	765	80.2	1,071	81.9
Female Heads of Households with Children **	19	3.4	47	4.9	38	2.9
Non-family Households **	97	7.1	189	19.8	238	18.1
Average Household Size	3.17 persons		2.93 persons		2.97 persons	

Source of above table: U.S. Census Bureau, 1980, 1990 and 2000

* Data as of June 9, 2009 ** Percent of all households in 2000

2. *Age Distribution*

Table III-4 includes information on changes in Hubbardston's population related to age.

Table III-4
Hubbardston Age Distribution

Age Range	1980		1990		2000	
	#	%	#	%	#	%
Under 5 Years	151	8.4	243	8.7	293	7.5
5 – 17 Years	460	25.6	609	21.8	922	23.6
18 – 20 Years	76	4.2	87	3.1	107	2.7
21 – 24 Years	87	4.8	77	2.8	81	2.1
25 – 34 Years	354	19.7	573	20.5	488	12.5
35 – 44 Years	234	13.0	562	20.1	863	22.1
45 – 54 Years	157	8.7	272	9.7	617	15.8
55 – 59 Years	82	4.6	86	3.1	170	4.3
60 – 64 Years	49	2.7	89	3.2	98	2.5
65 – 74 Years	109	6.1	117	4.2	158	4.0
75 – 84 Years	36	2.0	66	2.4	88	2.3
85+ Years	2	0.1	16	0.6	26	0.6
Total	1,797	100.0	2,797	100.0	3,909	100.0
	#	%	#	%	#	%
Under 18	611	34.0	852	30.5	1,215	31.1
Age 65+	147	8.2	199	7.1	271	6.9

Source: U.S. Census Bureau, 1980, 1990 and 2000

The census showed that the school-aged population of those under 18 decreased somewhat from 34% of the total population in 1980 to 31.1% in 2000. In actual number of students, this population doubled, likely putting strains on the area's schools during this time period. In comparison to county and state figures, Hubbardston's level of those under 18 was considerably higher in 2000, 31.1% versus 25.6% for Worcester County and 23.6% for the state as a whole.

It is interesting to note, however, that those younger residents between the ages of 21 and 34 who were entering the labor market and starting their own families decreased as a percent of the population from 1980 to 2000, from 24.5% to 14.6%. This trend is occurring in many communities in Massachusetts as this cohort searches for employment opportunities and affordable living conditions, more frequently deciding to relocate out of area or even the state.

Between 1980 and 2000 those residents from 60 to 74 years of age decreased proportionately as well, representing 8.8% of the total population in 1980 to 6.5% in 2000.

More recent data from the Town's census indicates that Hubbardston has continued to lose younger residents while gaining older ones. The age distribution as of the end of 2007, June 9, 2009 and March 30, 2010 is presented in Table III-5 while the 2010 distribution is visually presented in Figure III-1.

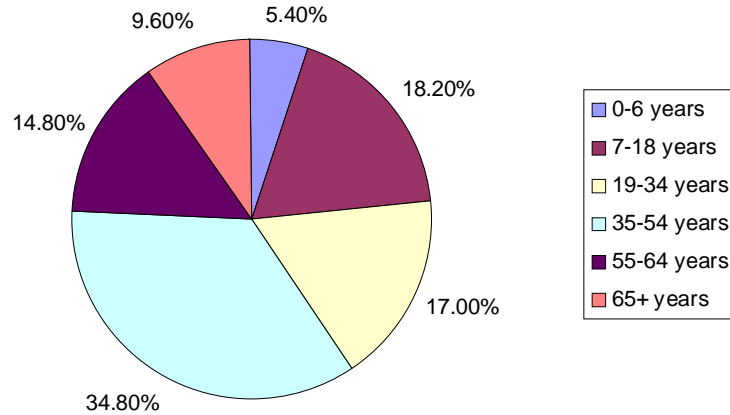
Table III-5
Change in Age Distribution
2007 Through March 30, 2010

Age Range	Number 2007/6-2009/3-2010	Percent 2007/6-2009/3-2010
0-6 Years	335/289/244	7.5/6.3/5.4
7-18 Years	816/854/817	18.2/18.6/18.2
19-34 Years	747/776/765	16.7/17.0/17.0
35-54 Years	1,669/1,599/1,563	37.2/34.9/34.8
55-64 Years	554/641/665	12.4/14.0/14.8
65 + Years	360/419/432	8.0/9.2/9.6
Total	4,481/4,578/4,486	100.0/100.0/100.0

Source: Hubbardston Town Records

Figure III-1

March 30, 2010 Age Distribution



MISER also provided population projections by age range presented in Table III-6. While these projections are based on very high growth rates that are unlikely to be realized, they offer some perspective on proportionately which age cohorts are likely to increase or decrease the most and therefore provide some insights into future housing needs.

While there are some significant fluctuations in these projections for the same cohort/age group by decade, projections indicate that those over 65 will grow substantially from 6.9% of the population in 2000 to 12% by 2020. This aging trend reflects the general demographics of the baby boom generation, the subsequent dearth of babies in what is known as Generation X, and the “boomlet” that represents the children of the “baby boomers”. With each passing decade, the age distribution points to a population that, while growing, is also aging in place.

By 2010, the largest age group is expected to be those aged 45 to 49, and by 2020 a large influx of young families with young children is predicted as well as an increase in the population at every age group. Moreover, while the number of children below 19 years is likely to increase, proportionately the projections have this age group declining somewhat from 33.2% in 2000 to 30.3% in 2020. These trends point to a need to focus planning efforts toward the community needs by providing housing support to an aging population, helping them remain as independent as possible in their own homes or downsizing, as well as assistance to young families seeking their first homes.

Table III-6
Populations Projections by Age Distribution
2000 (Actual Data), 2010 and 2020

Age Range	2000		2010		2020	
	#	%	#	%	#	%
0-4 Years	293	7.5	383	7.4	599	8.3
5-9 Years	373	9.5	384	7.4	599	8.3
10-14 Years	372	9.5	450	8.7	587	8.2
15-19 Years	261	6.7	385	7.4	396	5.5
20-24 Years	103	2.6	205	3.9	246	3.4
25-29 Years	184	4.7	316	6.1	469	6.5
30-34 Years	304	7.8	296	5.7	592	8.2
35-39 Years	440	11.3	333	6.4	569	7.9
40-44 Years	423	10.8	402	7.7	392	5.4
45-49 Years	367	9.4	534	10.3	405	5.6
50-54 Years	250	6.4	436	8.4	414	5.8
55-59 Years	170	4.4	400	7.7	586	8.1
60-64 Years	98	2.5	274	5.3	482	6.7
65-69 Years	88	2.2	162	3.1	388	5.4
70-74 Years	70	1.8	79	1.5	227	3.2
75-79 Years	64	1.6	70	1.4	133	1.8
80-84 Years	24	0.6	43	0.8	51	0.7
85+ Years	25	0.6	45	0.9	61	0.8
Total	3,909	100.0	5,197	100.0	7,196	100.0

Source: U.S. Census Bureau, 2000 and MISER

The median age for communities in the Montachusett Region has increased between 1980 and 2000, growing by 7.6 years. From a regional average of 29.8 years in 1980, to 32.9 years in 1990, and reaching 37.4 years in 2000, this increase in the median age is higher than for the state as a whole. Hubbardston's median age has increased as well from 28.5 years in 1980 to 32 years in 1990 and 35.9 years in 2000. These levels are still somewhat lower than the regional average, reflecting the higher levels of families with children.

3. Race

In keeping with national trends, the population of the Montachusett Region is becoming more diverse in its racial and ethnic makeup. Minority racial and ethnic groups continue to be one of the fastest growing population segments in the region. In Hubbardston the minority population increased from 13 residents in 1980 to 63 residents in 2000.

Nevertheless, the minority population remains quite small involving only 1.6% of town residents.

Table III-7
Race Information for the Montachusett Region
1980 to 2000

	1980			1990			2000		
Community	Population	White	Minorities	Population	White	Minorities	Population	White	Minorities
Ashburnham	4075	4051	24	5433	5382	51	5546	5416	130
Ashby	2311	2294	17	2717	2707	10	2845	2789	56
Athol	10634	10555	79	11451	11136	315	11299	10884	415
Ayer	6993	6067	926	6871	5702	1169	7287	6261	1026
Clinton	12771	12169	602	13222	12395	827	13435	11849	1586
Fitchburg	39580	38269	1311	41194	36935	4259	39102	32007	7095
Gardner	17900	17737	163	20125	19290	835	20770	19343	1427
Groton	6154	6058	96	7511	7312	199	9547	9282	265
Harvard	12170	10496	1674	12329	10201	2128	5981	5484	497
Hubbardston	1797	1,784	13	2,797	2,778	19	3909	3846	63
Lancaster	2329	1991	338	6661	5969	692	7380	6237	1143
Leominster	34508	33347	1161	38145	35469	2676	41303	35982	5321
Lunenburg	8405	8283	122	9117	8995	122	9401	9120	281
Petersham	1024	1019	5	1131	1110	21	1180	1147	33
Phillipston	953	952	1	1485	1479	6	1621	1584	37
Royalston	955	938	17	1147	1142	5	1254	1237	17
Shirley	5124	4638	486	6118	5329	789	6373	5347	1026
Sterling	5440	5401	39	6481	6443	38	7257	7116	141
Templeton	6070	6049	21	6438	6340	98	6799	6673	126
Townsend	7201	7126	75	8496	8281	215	9198	8972	226
Westminster	5139	5107	32	6191	6030	161	6907	6734	173
Winchendon	7019	6985	34	8805	8660	145	9611	9223	388
Total	198552	191308	7244	223865	209110	14755	228005	206533	21472

Source: U.S. Census, 1980, 1990 and 2000

Those communities in the region with the highest level of minority residents include the cities of Fitchburg, Leominster and Gardner as well as the towns of Ayer, Clinton, Lancaster, and Shirley.

4. Income

Residents of Hubbardston are becoming significantly more affluent. A comparison of 1979, 1989 and 1999 income figures is presented in Table III-8 below.

Table III-8
Income Distribution by Household, 1979-1999

	1979		1989		1999	
	#	%	#	%	#	%
Under \$10,000	110	19.4	72	7.6	62	4.7
10,000-24,999	296	52.3	157	16.5	97	7.3
25,000-34,999	105	18.6	122	12.8	93	7.0
35,000-49,999	48	8.5	223	23.4	234	17.7
50,000-74,999	7	1.2	246	27.7	385	29.1
75,000-99,999	0	0.0	99	10.4	206	15.6
100,000-149,999			29	3.0	184	13.9
150,000 or more			5	0.5	60	4.5
Total	566	100.0	953	100.0	1,321	100.0
Median income	\$19,623		\$42,650		\$61,462	

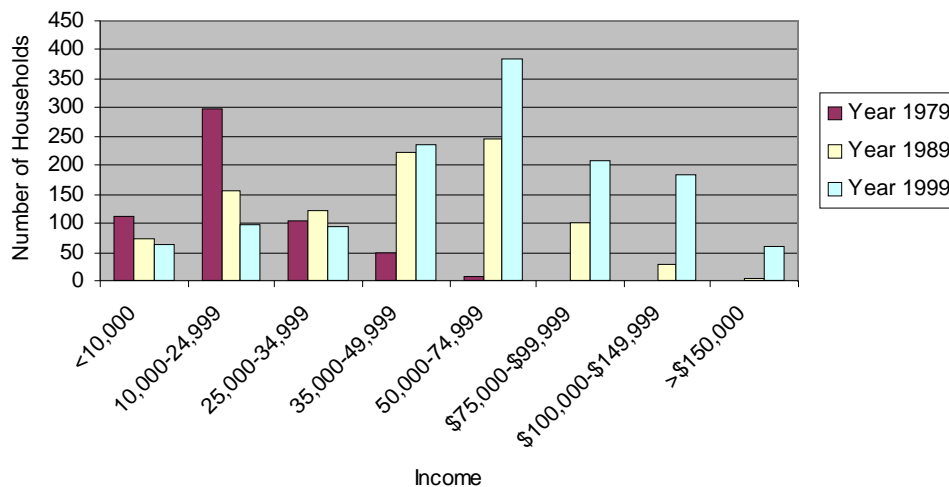
Source: U.S. Census Bureau, 1980, 1990 and 2000

There were decreases in the numbers and percentages of households in all income ranges below \$35,000 from 1979 to 1999, while the numbers and percentages of households earning more than that amount increased substantially, from 9.7% in 1979 to 81.0% in 1999. Those earning more than \$50,000 grew from seven (7) households in 1979 (1.2%) to 376 in 1989 (39.4%) to 1,069 in 1999 (80.9%) – well over what would be expected under normal inflationary trends. The income distribution for those households that include children – families – is somewhat higher with almost 20% of all families earning more than \$100,000.

The chart below clearly demonstrates the substantial increase in income levels for households in Hubbardston over the past three decades. Despite inflation these figures are dramatic, particularly for households earning more than \$50,000.

Figure III-1

Income Distribution by Census



These income levels in contrast to those for Worcester County are offered in Table III-9.

Table III-9
Income Distribution by Household: Worcester County vs. Hubbardston
1999

	Worcester County		Hubbardston	
	#	%	#	%
Under \$10,000	25,152	8.8	62	4.7
10,000-24,999	48,186	17.0	97	7.3
25,000-34,999	31,373	10.9	93	7.0
35,000-49,999	42,839	15.1	234	17.7
50,000-74,999	58,935	20.7	385	29.1
75,000-99,999	35,696	12.6	206	15.6
100,000-149,999	28,596	10.1	184	13.9
150,000 or more	13,441	4.7	60	4.5
Total	284,218	100.0	1,321	100.0
Median income	\$47,874		\$61,462	

Source: 1999 U.S. Census Bureau

Residents of Hubbardston are considerably more affluent in general in comparison to the county as a whole. The percentage of those earning less than \$35,000 is about 37% for Worcester County in contrast to approximately 19% for the town of Hubbardston, whereas those earning above the \$75,000 threshold included approximately 27.4% of households in Worcester County versus 34% of the households in Hubbardston.

Despite increasing household wealth, there still remains a population living in Hubbardston with very limited financial means. Of the 1,321 total households counted in 1999, 62 or 4.7% had incomes of less than \$10,000 and another 97 or 7.3% had incomes between \$10,000 and \$24,999.

HUD information indicates that 83 households had incomes within 30% of area median income, representing extremely low-income levels, another 50 earning within 30% and 50% of area median income, referred to as very low income households by HUD, and another 100 households earning between 50% and 80% of area median. The total number of households within these income categories was about 233 in 1999, or about 18% of all Hubbardston households, not an insignificant number given the general affluence of the community. Based on this income information, these households would have likely qualified for housing assistance as their incomes were at or below 80% of area median income defined by the U.S. Department of Housing and Urban Development (HUD), which was \$39,150 for a family of three in 2000.¹³

Hubbardston's median income level increased by more than 213% between 1979 and 1999, from \$19,623 in 1979, to \$42,650 in 1989 to \$61,462 in 1999.

¹³ While these households' incomes might be at or below 80% of area median income, many households are likely to have assets, including equity in their homes that are more than the allowable state or federal standards that would disqualify them from housing assistance.

The 2000 median income levels for other communities in the region ranged considerably from \$33,475 in Athol to as high as \$82,869 and \$107,934 in Groton and Harvard, respectively, as demonstrated in Table III-10.

Table III-10
Median Household Income for the Montachusett Region
1989 to 1999

Community	Median Household Income (1990)	Median Household Income (2000)	Percent Change: 1990 to 2000
Ashburnham	\$42,442	\$55,568	30.1%
Ashby	\$46,250	\$61,000	31.9%
Athol	\$27,094	\$33,475	23.6%
Ayer	\$29,326	\$46,619	59.0%
Clinton	\$34,091	\$44,740	31.2%
Fitchburg	\$27,101	\$37,004	37%
Gardner	\$28,035	\$37,334	33.2%
Groton	\$55,169	\$82,869	50.2%
Harvard	\$47,299	\$107,934	128.2%
Hubbardston	\$42,650	\$61,462	44.1%
Lancaster	\$41,552	\$60,752	46.2%
Leominster	\$35,974	\$44,893	24.8%
Lunenburg	\$43,199	\$56,812	31.5%
Petersham	\$39,063	\$47,833	22.5%
Phillipston	\$35,573	\$46,845	31.7%
Royalston	\$33,333	\$44,444	33.3%
Shirley	\$38,377	\$53,334	39.0%
Sterling	\$49,345	\$67,188	36.2%
Templeton	\$34,395	\$48,482	41.0%
Townsend	\$46,910	\$61,745	31.6%
Westminster	\$46,292	\$57,755	24.8%
Winchendon	\$32,362	\$43,750	35.2%
Montachusett Region Avg.	\$38,901	\$54,629	40.4%
Middlesex County		\$60,821	
Worcester County	\$35,774	\$47,874	33.8%
State Avg.	\$36,952	\$50,502	36.7%
National Avg.	\$30,056	\$41,994	39.7%

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

The median family income for Hubbardston increased from \$47,853 in 1989 to \$66,058 in 1999, representing a 30.1% increase. As Table III-11 shows, median family incomes for 1999 ranged from a low of \$41,061 in Athol to a high of \$119,352 in Harvard, with an average of \$62,297 for the region, somewhat lower than Hubbardston's.

Table III-11
Median Family Income for the Montachusett Region
1989 to 1999

Community	Median Family Income (1989)	Median Family Income (1999)	Percent Change: 1989 to 1999
Ashburnham	\$45,359	\$58,993	30.1%
Ashby	\$49,310	\$64,900	31.6%
Athol	\$33,263	\$41,061	23.4%
Ayer	\$32,939	\$61,968	88.1%
Clinton	\$40,139	\$53,308	32.8%
Fitchburg	\$33,357	\$43,291	29.8%
Gardner	\$35,430	\$47,164	33.1%
Groton	\$60,000	\$92,014	53.4%
Harvard	\$47,481	\$119,352	151.4%
Hubbardston	\$46,853	\$66,058	41.0%
Lancaster	\$46,924	\$66,490	41.7%
Leominster	\$41,927	\$54,660	30.4%
Lunenburg	\$49,625	\$63,981	28.9%
Petersham	\$45,855	\$58,125	26.8%
Phillipston	\$40,069	\$52,011	29.8%
Royalston	\$36,923	\$51,818	40.3%
Shirley	\$43,372	\$66,250	52.7%
Sterling	\$53,339	\$76,943	44.3%
Templeton	\$38,074	\$52,936	39.0%
Townsend	\$50,629	\$67,173	32.7%
Westminster	\$51,986	\$61,835	18.9%
Winchendon	\$35,828	\$50,086	39.8%
Montachusett Region Avg.	\$43,576	\$62,297	43.0%
Middlesex County		\$74,194	
Worcester County	\$42,057	\$58,394	38.8%
State Avg.	\$44,367	\$61,664	39.0%
National Avg.	\$35,225	\$50,046	42.1%

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

Per capital income in Hubbardston increased 48.1%, from \$15,575 in 1990 to \$23,072 in 1999, levels that were fairly comparable to that for the region as a whole but lower than the statewide figures. This data is presented in Table III-12.

Table III-12
Per Capita Income for the Montachusett Region
1990 to 2000

Community	Per Capita Income (1990)	Per Capita Income (2000)	Percent Change: 1990 to 2000
Ashburnham	\$15,595	\$21,659	38.9%
Ashby	\$16,611	\$21,648	30.3%
Athol	\$12,444	\$16,845	35.4%
Ayer	\$14,586	\$26,400	81.0%
Clinton	\$15,328	\$22,764	48.5%
Fitchburg	\$12,140	\$17,256	42.1%
Gardner	\$13,207	\$18,624	41.0%
Groton	\$22,832	\$33,877	48.4%
Harvard	\$17,397	\$40,867	134.9%
Hubbardston	\$15,575	\$23,072	48.1%
Lancaster	\$14,619	\$21,010	43.7%
Leominster	\$15,960	\$21,769	36.4%
Lunenburg	\$19,166	\$26,986	40.8%
Petersham	\$17,542	\$24,222	38.1%
Phillipston	\$13,216	\$18,706	41.5%
Royalston	\$12,421	\$18,297	47.3%
Shirley	\$15,581	\$20,556	31.9%
Sterling	\$17,830	\$28,844	61.8%
Templeton	\$13,347	\$21,994	64.8%
Townsend	\$15,694	\$22,658	44.4%
Westminster	\$16,798	\$24,913	48.3%
Winchendon	\$13,143	\$18,798	43.0%
Montachusett Region Avg.	\$15,501	\$23,262	50.1%
Middlesex County		\$31,199	
Worcester County	\$15,500	\$22,983	48.3%
State Avg.	\$17,224	\$25,925	50.5%
National Avg.	\$14,420	\$21,587	49.7%

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

Hubbardston's 2000 income level is considerably higher than the regional and state medians as well as that for the nation as summarized in Table III-13.

**Table III-13
Household Income
1989 to 1999**

Community	Median Household Income 1989	Median Household Income 1999	% Change
Hubbardston	\$42,650	\$61,462	44.1%
Region Average	\$43,576	\$54,629	25.4%
Worcester County	\$35,774	\$47,874	33.8%
Massachusetts	\$44,367	\$50,502	13.8%
US	\$21,329	\$41,994	96.9%

Source: U.S. Department of Commerce, Bureau of the Census 1989 and 1999

5. *Poverty*

The 2000 census counted 143 Hubbardston residents with incomes below the poverty level or 3.7% of the population, up from 111 residents living in poverty in 1990, or 6.1% of all residents. Therefore, the town has experienced only a modest 5.4% increase in poverty from 1990 to 2000.

**Table III-14
Poverty Status
1979-1999**

	1979		1989		1999	
	#	%	#	%	#	%
Individuals Below Poverty *	49	2.8	111	4.0	143	3.7
Families **	10	2.1	20	2.6	23	2.1
Related Children Under 18 Years ***	6	1.0	36	4.2	40	3.3
Individuals 65 and Over ****	4	2.7	5	2.5	21	7.8

Source: U.S. Census Bureau, 1980, 1990 and 2000

*Percentage of total population for whom poverty status was determined

**Percentage of all families for whom poverty status was determined

***Percentage of all related children under 18 years

****Percentage of all individuals age 65+

As Table III-14 demonstrates, there was a considerable range in levels of poverty among towns in the Montachusett region, from 1.8% of the population in Harvard to 14.4% in Fitchburg. Most communities experienced an increase in poverty while nine (9) communities saw a decrease. A few communities encountered a more than a 50% increase in poverty including Ashby,

Royalston, Shirley, Templeton, and Townsend. Hubbardston's poverty rate is lower than the regional average of 7.8%, nevertheless, there were 143 residents living with substantial income limitations (\$10,400 for an individual and \$17,600 for a family of three in 2008) and among the most vulnerable residents in Hubbardston.

Table III-14
Poverty Levels for the Montachusett Region
1990 to 2000

Community	Town Population 1990	Number Below Poverty	Percent Below Poverty	Town Population 2000	Number Below Poverty	Percent Below Poverty	Percent Change 1990 to 2000
Ashburnham	5,433	332	6.1%	5546	350	6.3%	5.4%
Ashby	2,717	68	2.5%	2845	143	5.0%	100.3%
Athol	11,451	1,312	11.5%	11299	1038	9.2%	-26.4%
Ayer	6,871	596	8.7%	7287	765	10.5%	28.4%
Clinton	13,222	980	7.4%	13435	949	7.1%	-3.3%
Fitchburg	41,194	5,461	13.3%	39102	5627	14.4%	3.0%
Gardner	20,125	2,092	10.4%	20770	1863	9.0%	-12.3%
Groton	7,511	286	3.8%	9547	376	3.9%	31.5%
Harvard	4,448	373	8.4%	5981	106	1.8%	-253%
Hubbardston	2,797	111	4.0%	3909	143	3.7%	28.8%
Lancaster	6,661	306	4.6%	7380	237	3.2%	-29.1%
Leominster	38,145	2,713	7.1%	41303	3889	9.4%	43.4%
Lunenburg	9,117	322	3.5%	9401	382	4.1%	18.6%
Petersham	1,131	61	5.4%	1180	66	5.6%	8.2%
Phillipston	1,485	114	7.7%	1621	93	5.7%	-22.6%
Royalston	1,147	72	6.3%	1254	109	8.7%	51.4%
Shirley	6,118	272	4.4%	6373	172	2.7%	-58.1%
Sterling	6,481	299	4.6%	7257	213	2.9%	-40.4%
Templeton	6,438	284	4.4%	6799	588	8.6%	107.0%
Townsend	8,496	256	3.0%	9198	464	5.0%	81.2%
Westminster	6,191	274	4.4%	6907	212	3.1%	-29.2%
Winchendon	8,805	790	9.0%	9611	953	9.9%	20.6%
Montachusett Region Avg.	223,865	17,374	7.8%	228005	18738	8.2%	7.8%
Worcester County	709,705	56,617	8.0%	750963	67136	8.9%	18.6%
State Avg.	6,016,425	19,339	8.6%	6349097	573421	9.0%	10.4%
National Avg.	248,709,873	31,742,864	12.8%	281421906	33899812	12.0%	6.8%

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

6. Educational Attainment

Table III-15 presents data on educational attainment in the region, providing comparative information on the numbers and percentages of those securing high school diplomas and

college degrees in 1990 and 2000. In 2000, approximately 25% those age 25 and over and living in Hubbardston had a high school degree (including equivalency degree), from 31% in 1990, and 26.7% had a Bachelor's degree, up from 14.1% in 1990. These levels are higher than those for the region, where only 13.1% had a Bachelor's degree, for example. Overall, in 2000, 92.6% of all those 25 years and over had at least a high school diploma and 33.8% had at least a Bachelor's degree.

Table III-15
Educational Attainment for the Montachusett Region
1990 to 2000

Town/City	1990 High School Graduate*	1990 Percentage	2000 High School Graduate*	2000 Percentage	1990 Bachelor's Degree	1990 Percentage	2000 Bachelor's Degree	2000 Percentage
Ashburnham	1090	28.43%	1181	33.00%	561	14.63%	613	17.10%
Ashby	753	39.59%	661	35.40%	225	11.83%	291	15.60%
Athol	3492	41.94%	3025	40.30%	603	7.24%	678	9.00%
Ayer	2113	40.51%	210	23.6%	553	10.60%	291	15.6%
Clinton	3713	35.62%	623	20.6%	1200	11.51%	1294	13.8
Fitchburg	10626	33.96%	2326	20.5%	2410	7.70%	2326	9.4
Gardner	4749	30.48%	1234	23.5%	1522	9.77%	1468	10.3%
Groton	1233	22.61%	524	17.8%	1284	23.55%	1841	30.4
Harvard	2728	30.70%	424	25%	1606	18.07%	1197	29.1%
Hubbardston	581	32.62%	772	30.8%	251	14.09%	668	26.7%
Lancaster	1428	27.70%	528	25	795	15.42%	943	18.9%
Leominster	9440	32.20%	2480	23.1%	3672	12.53%	3891	14%
Lunenburg	2373	35.16%	593	21.5%	1106	16.39%	1257	19.4%
Petersham	211	23.87%	200	23.20%	195	22.06%	192	22.30%
Phillipston	424	40.89%	106	23.3%	89	8.58%	107	10.1%
Royalston	259	32.29%	282	35.90%	97	12.09%	75	9.50%
Shirley	1397	30.76%	423	28.7%	569	12.53%	596	13.2%
Sterling	1154	25.19%	391	20.6	885	19.31%	1153	23.6%
Templeton	1799	37.64%	387	21.2%	281	5.88%	416	9.1%
Townsend	1839	32.39%	1600	28.10%	1029	18.13%	1170	20.50%
Westminster	1423	31.64%	410	21.8%	725	16.12%	891	19.2%
Winchendon	2283	37.26%	681	24.7%	470	7.67%	540	8.9%
Regional totals	55178	33.04%	6949		20140	12.06%	20904	13.13%
Massachusetts	1390157		1165489	27.30%	746818		834554	19.50%
United States	55769325		52168981	28.60%	22709074		28317792	15.50%

Sources: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

* Includes high school equivalency.

7. *Employment*

Over the past several decades, the region's economic base has shifted considerably from manufacturing to more service oriented employment as other areas in the country and in fact the world have become more competitive locations for industry. This shift is evident in Table III-15 below where manufacturing jobs decreased by about 5,000 jobs from 1990 to 2000 in the region. However, in Hubbardston the numbers of residents with manufacturing jobs increased between 1990 and 2000 from 396 to 472. On the other hand, service-related jobs increased regionally by approximately 13,000 jobs between 1990 and 2000 and by more than 437 jobs in Hubbardston. It should be noted that service-related jobs, in general, tend to pay less than manufacturing jobs and also tend to have fewer benefits.

Table III-15
Employment by Industry for the Montachusett Region
1990 to 2000

Community	Year	Agric, Forest, Fish	Const	Mfg	Whlsl & Retail	Finance, Insuran ce,	Service Public Admin	*Total	% of Total
Ashburnham	1990	25	124	766	508	210	994	2,723	2.59%
	2000	8	216	601	343	113	1,506	2,840	2.65%
Ashby	1990	37	155	408	290	22	440	1,425	1.35%
	2000	23	123	269	265	30	671	1,460	1.36%
Athol	1990	64	252	1,609	906	187	1,561	4,801	4.56%
	2000	8	230	1,626	702	246	2,037	5,013	4.68%
Ayer	1990	10	132	905	675	142	1,232	3,334	3.17%
	2000	14	192	951	584	181	1,725	3,819	3.56%
Clinton	1990	70	515	2,345	1,208	290	2,147	6,895	6.55%
	2000	22	349	1,723	926	404	2,959	6,620	6.17%
Fitchburg	1990	130	1,029	4,821	3,973	766	6,371	17,948	17.06%
	2000	26	758	4,086	2,899	763	7,911	16,977	15.83%
Gardner	1990	21	325	2,801	1,758	339	3,098	8,764	8.33%
	2000	6	475	2,571	1,338	430	4,221	9,349	8.72%
Groton	1990	125	180	1,229	658	166	1,560	4,030	3.83%
	2000	8	225	887	660	242	2,424	4,620	4.31%
Harvard	1990	67	146	776	619	200	1,694	3,598	3.42%
	2000	65	70	498	313	184	1,416	2,566	2.39%
Hubbardston	1990	61	138	396	208	57	495	1,422	1.35%
	2000	21	182	472	224	117	932	2,024	1.89%
Lancaster	1990	77	172	754	608	101	1,566	3,393	3.22%
	2000	5	250	674	382	153	1,511	3,066	2.86%
Leominster	1990	115	948	6,065	4,476	1,061	5,990	19,533	18.57%
	2000	91	1,045	5,148	2,993	999	8,685	19,580	18.26%

Lunenburg	1990	83	314	1,245	1,089	189	1,567	4,860	4.62%
	2000	21	375	817	686	315	2,184	4,659	4.34%
Petersham	1990	15	57	81	103	22	247	566	0.54%
	2000	17	33	73	56	21	374	583	0.54%
Phillipston	1990	21	54	181	140	33	230	717	0.68%
	2000	22	67	200	150	21	357	832	0.78%
Royalston	1990	9	30	170	100	15	167	513	0.49%
	2000	20	52	142	64	18	259	576	0.54%
Shirley	1990	0	167	976	424	169	899	2,780	2.64%
	2000	4	205	609	351	143	1,260	2,703	2.52%
Sterling	1990	34	225	880	648	281	1,024	3,296	3.13%
	2000	29	271	838	516	211	1,872	3,861	3.60%
Templeton	1990	54	187	874	608	96	1,032	3,067	2.92%
	2000	21	203	702	850	171	1,437	3,510	3.27%
Townsend	1990	57	209	1,517	898	198	1,322	4,373	4.16%
	2000	23	456	1,108	719	238	2,051	4,705	4.39%
Westminster	1990	45	190	824	726	91	1,047	3,160	3.00%
	2000	70	193	872	494	200	1,452	3,487	3.25%
Winchendon	1990	32	241	1,295	659	145	1,477	4,014	3.82%
	2000	20	394	1,342	599	146	1,760	4,377	4.08%
Total	1990	1,152	5,790	30,918	21,282	4,780	36,160	105,212	
	2000	544	6,364	26,209	16,114	5,346	49,004	107,227	

Sources: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

In addition to the types of industries that employ residents, the census includes data on occupations. In 2000, of those who were employed and over the age of 15, 38.7% were employed in management, professional and related occupations; 13.5% were in service-related occupations; 21.2% were in sales and office occupations; 11.1% were in construction; and 15.2% were involved in production or transportation occupations. This demonstrates that a majority of the population was involved in “white collar” jobs. The average commute for a worker living in Hubbardston was 35.5 minutes and only 267 or 12.9% of workers worked inside the community.

More recent labor and workforce data, from 2008, which shows an increase of 349 employees in Hubbardston since 2000, for a total of 2,397 employed workers. The data presented in Table III-16 on the employment by industry of those working in Hubbardston, indicates a concentration of jobs in the construction, retail and service sectors. Updated figures also demonstrate that on average these jobs tend to have lower wages levels. As a point of comparison, the average weekly wage for Hubbardston was \$550, about one-third of Boston’s at \$1,476.

Table III-16
Average Employment and Wages By Industry in Hubbardston, 2007

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	17	\$1,859,994	72	\$497
Manufacturing	4	\$1,501,790	44	\$656
Retail trade	5	\$1,883,498	57	\$635
Professional and technical services	6	\$473,006	12	\$758
Administrative and waste services	3	\$161,533	9	\$345
Health care and social assistance	8	\$1,425,537	64	\$428
Other services	13	\$440,508	25	\$339
TOTAL	74	\$16,261,904	569	\$550

Source: Massachusetts Executive Office of Labor and Workforce Development, 2008

8. Disability Status

Of the 2000 population age 5 to 20 years old, 77 or 7.6% had some disability, and of the population age 21 to 64, 306 or 13.2% claimed a disability, but 74.2% of this group was employed leaving 79 residents unemployed, most likely related to the disability. In regard to the population 65 years of age or older, 81 or 30.5% of those in this age group claimed some type of disability. These levels of disability, particularly that of seniors, represent special needs within the Hubbardston community.

B. Housing Profile

1. Housing Growth

In 1980 Hubbardston had 623 dwelling units. The number of units increased 64.5% between 1980 and 1990 to 1,025 units, representing an increase of 402 units and a higher level of growth than the 55.6% population growth during the decade. This is a huge amount of housing growth for a small, rural community, particularly one without available water and sewer services. During the 1990's growth continued and Hubbardston added another 335 housing units, reaching a total of 1,360 units, a 32.7% increase since 1990. As of March 2010, another 251 units were added to the housing stock, 207 single-family homes and 44 age-restricted condos.

The rate of housing growth declined between 1980 and 2000 in Hubbardston, Worcester County and throughout Massachusetts. It in fact declined to about half of what it was during the 1980's in Hubbardston, from an increase of 64.5% between 1980 and 1990 to 32.7% from 1990 to 2000. These levels still represent enormously high growth levels. Housing growth for the region and county involved a 16.5% to 6.7% change for the county between the 1980s and 1990's and 12% to 6% change for the state.

The information in Table III-17 shows that Hubbardston had the highest rate of housing growth in the region.

Table III-17
Number of Dwelling Units for the Montachusett Region
1980 to 2000

	Number of Dwelling Units			% Change	% Change
Community	1980	1990	2000	'80-'90	'90-'00
Ashburnham	1,849	2,279	2,204	23.30%	-3.30%
Ashby	802	959	1,011	19.60%	5.40%
Athol	4,212	4,840	4,824	14.90%	-0.30%
Ayer	2,802	2,891	3,154	3.20%	9.10%
Clinton	4,943	5,635	5,844	14.00%	3.70%
Fitchburg	15,347	16,665	16,002	8.60%	-4.00%
Gardner	7,477	8,654	8,838	15.70%	2.10%
Groton	2,249	2,774	3,393	23.30%	22.30%
Harvard	2,807	3,141	2,225	11.90%	-29.20%
Hubbardston	623	1,025	1,360	64.50%	32.70%
Lancaster	2,010	2,095	2,141	4.20%	2.20%
Leominster	12,988	15,533	16,976	19.60%	9.30%
Lunenburg	3,133	3,486	3,668	11.30%	5.20%
Petersham	364	448	474	23.10%	5.80%
Phillipston	304	631	739	107.60%	17.10%
Royalston	358	469	526	31.00%	12.20%
Shirley	1,829	2,183	2,156	19.40%	-1.20%
Sterling	1,793	2,308	2,637	28.70%	14.30%
Templeton	2,082	2,276	2,597	9.30%	14.10%
Townsend	2,404	2,894	3,184	20.40%	10.00%
Westminster	1,982	2,405	2,694	21.30%	12.00%
Winchendon	2,636	3,349	3,660	27.00%	9.30%
Total	74,994	86,940	90,307	15.90%	3.90%

Source: U.S. Department of Commerce, Bureau of the Census 1980, 1990, and 2000

Since the last census, building permit activity provides information on the level of additional growth. Since 2000 the number of building permits issued for single-family homes in Hubbardston fluctuated significantly, ranging from as low as four (4) permits in 2008, to 52 in 1999, and averaging 38 permits in the 1990s and 20 since 2000. The total number of permits for new residential dwellings from 2000 through March 2010 was 251, bringing the total number of housing units in Hubbardston to approximately 1,611. All permits were for single-family homes with the exception of condos at the Madison Greens development for those over the age of 55.

Table III-18
Annual Number of Building Permits Issued
1991 to 2008

Year	Number of Permits	
	Single-family	Condos
1991	45	0
1992	37	0
1993	28	0
1994	31	0
1995	30	0
1996	40	0
1997	40	0
1998	37	0
1999	52	0
2000	37	0
2001	26	0
2002	29	0
2003	28	0
2004	30	8 (over 55 units)
2005	17	12 (over 55 units)
2006	20	16 (over 55 units)
2007	10	8 (over 55 units)
2008	4	0
2009	5	0
Through 3/25/10	1	0
Total	547	44
Average Number of Permits Per Year	29	NA
Average Number of Permits from 1991-99	38	NA
Average Number of Permits from 2000-09	20	11 for 2004 to 2007

Source: Hubbardston Building Department, March 25, 2010

In May of 2004, the Town adopted the development rate limitation bylaw that capped the number of residential buildings permits at 28 per calendar year, clearly not a development challenge as of late given such very slow housing growth.

2. Vacant Units

The 2000 census counted 3.8% of the housing stock, or 52 units, as vacant, of which 12 units involved seasonable, recreational or occasional use, down somewhat from 71 vacant and 26 seasonal units in 1990. The 2000 homeowner vacancy rate was 1.4%, down only marginally from 2.8% in 1990. The change in numbers involved in these vacancy statistics is insignificant as any level below 5% is considered to represent tight market conditions and the rates remain well below that of the state and nation as a whole.

On the other hand, the rental vacancy rate was 7.4% in 2000, an increase over the 6.8% rate in 1990. Hubbardston's rental stock is small, only 113 units or 8.6% of the housing

stock in 2000 of which half, or 56 units, are subsidized. The remaining 57 rental units are likely scattered in houses or condos or apartments in small, multi-family properties.

**Table III-19
Vacancy Rates
1990 and 2000**

Vacancy Rates by Tenure				
	1990	2000	MA 2000	Nation
Rental	6.8%	7.4%	3.5%	5%
Owner-Occupied	2.8%	1.4%	0.7%	3%

Source: U.S. Department of Commerce Bureau of the Census 1990 and 2000

The state's vacancy rates decreased over the decade of the 1990's. In 1990 the vacancy rate for year-round ownership units was 1.7% and the 2000 rate decreased to 0.7%. The vacancy rate for year-round rental units in the Montachusett Region decreased dramatically from 6.9% in 1990 to 1.7% in 2000, reflecting a statewide need for housing.

3. *Occupancy*

In 1990, there were a total of 954 occupied housing units including 830 owner-occupied units and 124 rental units. The number of occupied housing units increased to 1,308 in 2000 of which 1,195 or 91.4% were owner-occupied. Therefore, while the Town gained 354 new units, it lost eleven (11) rental units, most likely through the conversion of rented homes to ownership or the conversion to condominiums.

**Table III-20
Type of Occupancy
1990 to 2000**

	1990	1990	2000	2000	Change	Change
	Number	Percent*	Number	Percent*	Number	Percent
					90-00	90-00
Owner-Occupied Units	830	87.0%	1,195	91.4%	365	44.0%
Renter-Occupied Units	124	13.0%	113	8.6%	-11	-9.0%

* Percent of occupied units

Source: U.S. Department of Commerce, Bureau of the Census 1990, 2000

Hubbardston had about the highest level of owner-occupancy in the region, at 91.4%, surpassed only by the Ashby with a 91.9% level. These levels are dramatically higher than the nation at 66.2 %, New England at 64.9% in New England and 61.7% for the state.

**Table III-21
Occupied Units for the Montachusett Region, 2000**

Community	Units Occupied	Owner-Occupied	% Owner-Occ.	Renter-Occupied
Ashburnham	1929	1714	88.9%	215
Ashby	978	899	91.9	79
Athol	4487	3156	70.33	1331
Ayer	2982	1661	55.7	1321
Clinton	5597	3028	54.1	2569
Fitchburg	14943	7708	51.16	7235
Gardner	8282	4520	54.57	3762
Groton	3268	2740	83.84	528
Harvard	1809	1638	90.55	171
Hubbardston	1308	1195	91.36	113
Lancaster	2049	1622	79.16	427
Leominster	16491	9545	57.88	6946
Lunenburg	3535	3085	87.3	450
Petersham	438	362	82.6	76
Phillipston	580	527	90.9	53
Royalston	449	393	87.5	56
Shirley	2067	1457	70.5	610
Sterling	2573	2186	85.0	387
Templeton	2411	1996	82.8	415
Townsend	3110	2624	84.4	486
Westminster	2529	2169	85.8	360
Winchendon	3447	2492	72.3	955

Source: U.S. Department of Commerce, Bureau of the Census 2000

Rental units accounted for 33% of the housing units in the region. Compared to 1990 there were 1,874 fewer rental units than in 2000. The regional decline in rental units appears to be the result of the demolition of older substandard units in the urban centers and the conversion of multi-family properties to single-family dwellings.

4. Types of Housing Units

In 2000, almost all of the housing units in Hubbardston were single-family homes, 90.5%, with 87.4% of the units in single-family, detached dwellings. Only 12.6% of the housing stock was in multi-family structures or mobile homes as summarized in Table III-22.

Almost all of the units added between 1990 and 2000 were single-family dwellings, with 38 new units in small, multi-family dwellings of two to four-units. Units in larger structures in fact decreased a bit, by seven (7) units. Mobile homes decreased as well during the 1990's from 31 to seven (7).

Table III-22
Number and Type of Household Units Hubbardston

Type of Unit	Number of Units		Percent of Total	
	1990	2000	1990	2000
One Unit (detached)	884	1,188	86.2	87.4
One Unit (attached)	19	43	1.8	3.2
Two Units	47	35	4.6	2.6
Three or Four Units		50		3.7
Five to Nine Units	9	7	0.9	0.5
Ten to Nineteen Units	35	30	3.4	2.2
Twenty + Units		0		0.0
Mobile Homes	31	7	3.0	0.5
Total Housing Units	1,025	1,360	100.0	100.0

Source: U.S. Department of Commerce, Bureau of the Census 2000

As Table III-23 indicates, while 90% of Hubbardston's housing stock was comprised of single-family homes, this level is exceeded in the towns of Ashby, Ashburnham, Phillipston and Westminster where single-family homes were between 92% and almost 97% of total housing units. Clinton and Winchendon both had relatively high levels of small multi-family housing and significantly lower levels of single-family homes in comparison to Hubbardston and other communities in the region.

Table III-23
Types of Housing Units in Comparable Communities
2000

Town	Total	One Unit		Two Units		3-4 Units		5+ Units		Mobile Homes	
		#	%	#	%	#	%	#	%	#	%
Groton	3,393	2928	86.3	262	7.7	66	1.9	125	3.7	12	0.4
Ashby	1,011	979	96.8	22	2.2	4	0.4	4	0.4	2	0.2
Ashburnham	2204	2081	94.4	75	3.4	0	0	48	2.2	0	0
Hubbardston	1360	1231	90.6	35	2.6	50	3.7	37	2.7	7	0.5
Winchendon	3659	2500	68.3	420	11.5	310	8.5	354	9.6	75	2
Templeton	2597	2126	81.9	154	5.9	150	5.8	117	4.6	50	1.9
Clinton	5844	2780	47.6	980	16.8	992	17	1035	17.8	58	1
Lancaster	2141	1745	81.5	89	4.2	148	5.6	40	1.9	0	0
Phillipston	739	708	95.8	17	2.3	1	0.1	2	0.3	0	0
Royalston	527	461	87.5	31	5.9	0	0	0	0	0	0
Sterling	2637	2236	84.8	219	8.3	105	4	4	0	0	0
Westminster	2694	2476	92	71	2.6	52	1.9	9	0	0	0

Source: U.S. Department of Commerce, Bureau of the Census 2000.

5. *Age of the Housing Stock*

Table III-24 indicates that in 2000 about one-fifth of Hubbardston's housing stock was at least 60 years old having been built before World War II. Nearly one-third of Hubbardston's housing stock was built before 1970 (32%), and it is likely that a good portion of these older units might be substandard and require some improvements. It has also been almost a decade since the last census, during which time these units have continued to age.

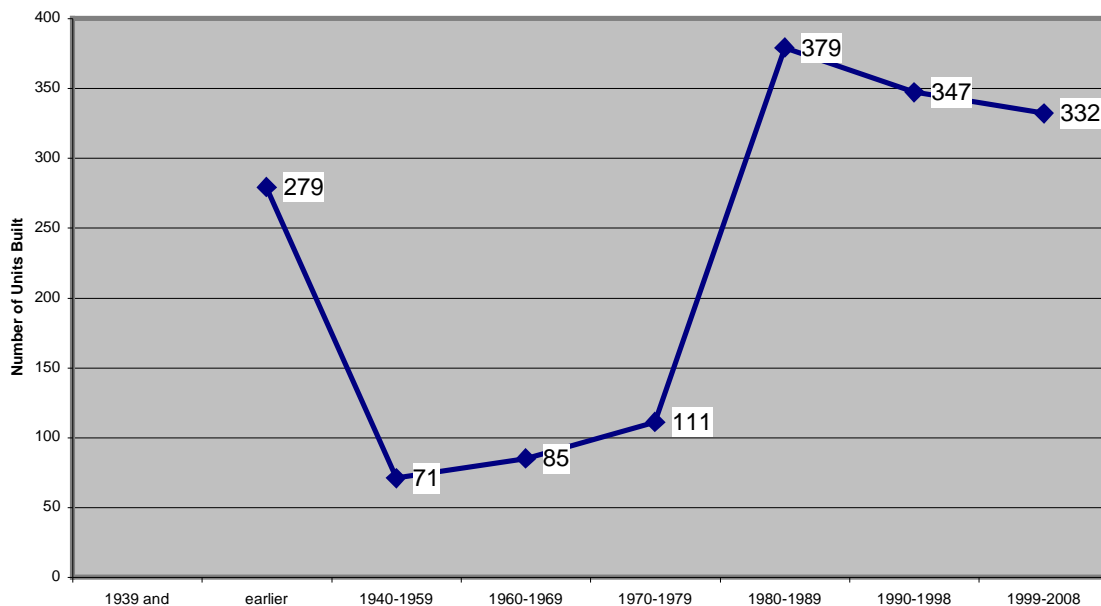
Table III-24
Age of Housing Stock
2000

Year Structure Built	Number of Units	Percent
1999 to March 2000	88	6.5
1995 to 1998	193	14.2
1990 to 1994	154	11.3
1980 to 1989	379	27.9
1970 to 1979	111	8.2
1960 to 1969	85	6.3
1940 to 1959	71	5.2
1939 and earlier	279	20.5

Source: U.S. Department of Commerce, Bureau of the Census 2000

Figure III-2

Historic Housing Growth



The 2000 census indicated that there were 379 housing units constructed during the 1980's followed by another 435 units in the 1990's. The housing stock in fact more than

doubled from 1980 to 2000. These units, in addition to units constructed after 2000 are likely to be safer because they would be lead-free. Lead paint was prohibited in 1978 and many of the homes constructed prior to 1978 contain lead. Looking at when units were built, about two-thirds of the homes in Hubbardston could possibly contain lead paint. Those older homes that kept varnished moldings, windows, and trim would, however, not present a problem, and testing is now readily available.

6. *Housing Market Conditions*

Homeownership Units

Most of the housing units in Hubbardston were moderately valued structures that had an average assessed value of \$144,500 according to the 2000 census. In 2000, the census indicated that approximately 16.5% of the housing units were valued below \$100,000 and almost another 30% were valued from \$100,000 to \$150,000. Almost all of the homes were valued below \$300,000 representing a very affordable housing stock relative to many communities in the Boston region.

Table III-25
Existing Owner-Occupied Units
2000

Valuation	Number of Units	Percent
Less than \$50,000	11	1.2
\$50,000 to \$99,999	145	15.3
\$100,000 to \$149,999	369	39.0
\$150,000 to \$199,999	278	29.4
\$200,000 to \$299,999	126	13.3
\$300,000 to \$499,999	11	1.2
\$500,000 to \$999,999	5	0.5
Median	\$144,500	

Source: U.S. Department of Commerce, Bureau of the Census 2000

Table III-26 presents the median sales prices for single-family homes and condos from 1988 through August 2010, including the number of sales. Up until 2006, single-family housing prices increased considerably, from \$150,500 in 1999 to \$275,000, an increase of 83%. Since then the housing market has softened considerably to a median sales price of a single-family home in 2008 of \$236,100, down to \$210,000 as of the end of 2009, and then to \$202,500 as of August 2010. The early 1990's also saw a fall-off of housing prices during that economic slump, and prices did not reach their late 1980's equivalent until 1998. Sales volume has also decreased during the last couple of years with the 2008 and 2009.

Table III-26 also demonstrates that there was a considerable fall-off in median prices and number of sales in the condo market in 2008, but this market has revived considerably since then with median prices up to \$240,600 as of August 2010.

Table III-26
Median Sales Price by Year
1988 to August 2010

Year	# of Sales Single-family/ Condos	Median Sales Price Single-family Home	Median Sales Price Condo
8/2010	15/7	\$202,500	\$240,600
2009	31/4	\$210,000	\$237,450
2008	25/5	\$236,100	\$150,000
2007	45/14	\$245,000	\$241,397
2006	46/6	\$275,000	\$261,455
2005	56/12	\$259,450	\$276,029
2004	71/8	\$257,500	\$158,700
2003	51/4	\$230,495	\$137,450
2002	62/4	\$218,500	\$117,000
2001	46/5	\$197,950	\$114,000
2000	58/12	\$173,700	\$69,000
1999	61/6	\$150,500	\$60,500
1998	73/3	\$138,381	\$78,000
1997	45/5	\$125,500	\$58,500
1996	59/8	\$118,500	\$56,000
1995	30/5	\$112,500	\$57,000
1994	29/2	\$123,500	\$0
1993	23/10	\$95,000	\$51,150
1992	26/13	\$115,500	\$55,400
1991	11/11	\$95,000	\$54,900
1990	14/9	\$126,000	\$82,900
1989	21/4	\$137,500	\$110,950
1988	24/3	\$133,250	\$120,213

Source: The Warren Group – Town Stats, September 28, 2010

Information from the Multiple Listing Service indicated that there were a total of 32 single-family homes that have sold since the beginning of 2008 with another 30 homes currently on the market. Of those, which have sold, the average sales price was \$256,559 while the median was \$250,000. As to current listings, the median list price is \$269,900 while the average or mean is \$379,663, the average skewed by three (3) listings of luxury homes with prices of \$852,000, \$1.2 million and \$1.95 million. A major sign of the depressed housing market is the long length of time properties are remaining on the market, averaging 200 days in early 2009.

**Table III-27
Single-family House Values**

Price Range	Current Listings	Properties Sold (1/1/08 to 3/5/09)	Total #/%
Less than \$100,000	0	1	1/1.6%
\$100,000-199,999	5	9	14/22.6%
\$200,000-299,999	15	17	32/51.6%
\$300,000-399,999	5	4	9/14.5%
\$400,000-499,999	2	1	3/4.8%
\$500,000-599,999	0	0	0/0.0%
Over \$600,000	3	0	3/4.8%
Total	30	32	62/100.0%
Median Sales Price	\$269,900	\$250,000	NA
Average List Price	\$379,663	\$256,559	NA
Average Sales Price	NA	\$250,108	NA
Average # Days on Market	212 days	197 days	NA

Source: Multiple Listing Service, March 5, 2009

This information also indicates that there were ten (10) homes sold and five (5) listings of homes priced at less than \$200,000 that would be affordable to those earning at or below 80% of area median income. These properties, however, are described in the listings as “needs extensive work”, “don’t miss this two-bedroom starter home”, “bring your ideas and vision to this home”, “cute and cozy”, “an antique farmhouse” or boast of freshly painted interiors, indicating that they are small and in need of significant repairs. Nevertheless, with improvements, these properties might offer some opportunity for the community to potentially subsidize, rehabilitate and convert to long-term affordability.

About half of the properties are in the \$200,000 to \$299,999 price range, most involving modest sized homes. Homes that are priced beyond that range tend to be somewhat larger and have more “flair”, acreage or amenities, including some waterfront properties. The three (3) luxury listings include a post and beam house on 32 acres, a shingle style house on 15 acres and a waterfront estate with multiple buildings and amenities.

The *condominium* market in Hubbardston is relatively small with 91 total units and another 35 that have not yet been formally assessed. Of the 21 units built since 2008, eight (8) involved new age-restricted condos. There were five (5) condominiums sold between January 1, 2008, ranging in price from \$143,000 in a small development to \$235,276 at Madison Greens over 55 development. All the units included two bedrooms and four of the five units had been on the market for more than a year. Another recent

condo development is the Moose Horn Hill Condominiums, also age-restricted, that includes 16 units in eight (8) buildings with units priced at \$248,800.

There were 19 current condo listings, ranging in price from \$139,900 to \$281,900, with an average list price of \$215,206. The average time on the market was almost two (2) years, signaling a troubled condo market.

Among neighboring communities, Hubbardston was in the mid-range regarding the percentage increase in median housing values since 2000 through August 2010, 40.1%, as noted in Table III-28. The greatest increase in housing values occurred in Rutland with a 72.5% increase in median value during the same period. Phillipson's appreciation in median housing values was at the lowest end of the range, at only 6.2%, with median prices down considerably since 2008. It is worth noting that values in all communities were typically down somewhat from 2008, with several exceptions, but still well ahead of the 2000 median values with the exception of Phillipson.

Table III-28
Median Housing Values for Single-Family Homes in Hubbardston and
Neighboring Municipalities, 2000, 2008 and August 2010

Municipality	2000 Median Value	2008 Median Value	August 2010 Median Value	% Change 2000 to 8/2010
Barre	\$124,400	\$200,000	\$182,000	46.3%
Gardner	\$115,000	\$144,000	\$152,500	32.6%
Hubbardston	\$144,500	\$237,050	\$202,500	40.1%
Phillipson	\$114,900	\$180,000	\$122,000	6.2%
Princeton	\$197,400	\$261,350	\$295,000	49.4%
Rutland	\$148,700	\$283,700	\$256,500	72.5%
Templeton	\$110,800	\$178,950	\$180,000	62.5%
Westminster	\$150,000	\$224,500	\$210,000	40.0%

Source: The Warren Group – Town Stats, September 28, 2010

Information from the Town Assessor on the assessed values of residential property in Hubbardston is presented in Table III-29. This is another way of looking at market values, in this case for the town as a whole as opposed to recent sales.

The Assessor's Office data indicates that almost half of the properties in Hubbardston were valued between \$200,000 and \$300,000 and another 28.5% were valued between \$300,000 and \$400,000, representing about three-quarters of the Town's residential dwellings. There still remains about 16% of all properties that were assessed in the very affordable range of less than \$200,000 that included 172 single-family homes, 63 condos and five (5) multi-family homes. These more affordable units might be targeted to an initiative that converts existing housing units to long-term affordable ones, making necessary repairs and requiring deed restrictions.

Table III-29
Assessed Values of Residential Properties

Assessment	Single-family Dwellings		Condominiums		Multi-family Dwellings**		Total Residential Properties	
	#	%	#	%	#	%	#	%
0-\$199,999	172	12.9	63	69.2	5	7.9	240	16.2
\$200,000-\$299,999	636	27.8	27	29.7	17	27.0	680	45.8
\$300,000-399,999	404	30.3	1	1.1	19	30.2	424	28.5
\$400,000-499,999	91	6.8	0	0.0	15	23.8	106	7.1
\$500,000-599,999	16	1.2	0	0.0	5	7.9	21	1.4
\$600,000-699,999	8	0.4	0	0.0	2	3.2	10	0.7
\$700,000-799,999	2	0.2	0	0.0	0	0.0	2	0.1
\$800,000-899,999	3	0.2	0	0.0	0	0.0	3	0.2
\$900,000-999,999	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 million	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,332	100.0	91*	100.0	63	100.0	1,486	100.0

Source: Hubbardston Town Assessor, Fiscal Year 2008.

* The Assessor lists and additional 31 units at Madison Way (Madison Greens Adult Community) and 4 at Saybrook Road that do not have assessed values as of yet.

** Includes two-family homes, three-family homes, multiple houses on one parcel and a couple structures with four to eight units.

Rental Units

The census also provides information on the costs associated with rental properties and the last census listed a median gross rental of \$471, actually down somewhat from the 1990 median of \$526 but up considerably from the 1980 median gross of \$259. Besides the median rental dropping somewhat from 1990 to 2000, the number of occupied rental units decreased as well, but only by three (3) units.

Table III-30
Renter-Occupied Units Hubbardston
1990 and 2000

	1990		2000	
	Number	Percent	Number	Percent
Total Renter-Occupied Units	117	100.0	114	100.0
Gross Rent				
Less than \$200	22	18.8	25	21.9
\$200 to \$299	16	13.7	11	9.6
\$300 to \$499	7	6.0	19	16.7
\$500 to \$749	49	41.9	18	15.8
\$750 to \$999	6	5.1	22	19.3
\$1,000 or more	10	8.6	0	0.0
No Cash Rent	7	6.0	19	16.7
Median Rent	\$526		\$471	

Source: U.S. Department of Commerce, Bureau of the Census 2000

Table III-30 presents the distribution of rents for 1990 and 2000. This distribution shows a sharp increase in the number of rental units in the \$300 to \$499 and \$750 to \$999 rental ranges from 1990 to 2000 and a substantial decrease of units in the \$500 to \$749 range during the same period. The drop in median rent from 1990 to 2000 is surprising given the general trend of increasing housing prices during this timeframe, whether for rental or ownership.

Rents have increased substantially since the 2000 census. Four (4) recent listings included the following:

- An older three-bedroom home off Main Street in Hubbardston Center for \$850.
- Two, two-bedroom waterfront condos, one for \$1,050 and the other for \$1,100.
- A single-family home in a waterfront compound with four bedrooms for \$1,950.

7. *Subsidized Housing Inventory (SHI)*

Hubbardston's percentage of affordable housing units that qualify to be counted as part of the Town's Subsidized Housing Inventory is 3.9%, representing 53 total affordable units. All of the units are directed to seniors or those with special needs.

Current Inventory

The 56 affordable units are included in the following developments:

- Hubbardston House Apartments
Thirty-six (36) of the SHI units are included in the Hubbardston House Apartments on Route 68 that was financed by the HUD 202 Program for low-income seniors and mobility-impaired individuals, earning at or below 50% of area median income, including Section 8 rental assistance that subsidizes the difference between Fair Market Rents and 30% of each occupant's income. The development, built in 1986, is owned and managed by RCAP Solutions, the regional housing agency. Also, 19 of the 36 units are targeted to the more frail elderly who require supportive services. Hubbardston House contracts with Montachusett Home Care for these services, and a service coordinator is available to all occupants on-site. There is currently a wait list of 18 applicants, five (5) of whom currently live in Hubbardston and another two (2) who lived in Hubbardston House, left and now wish to return. The development's manager indicated that the great majority of the non-Hubbardston applicants have children who live in town and want to relocate to Hubbardston to be closer to them.



- Group Homes
Another 17 units are scattered in town as special needs housing in group homes, sponsored by the Massachusetts Department of Developmental Services.

There are currently no units in the Town's development pipeline that are proposed to include some amount of affordable housing.

C. Affordability Analysis of Existing Market Conditions

As housing prices rose steadily more than household income until just recently, the affordability gap tended to widen, defined as the gap between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of a single-family home in Hubbardston of \$237,050 as of June 2009, a household would have to earn almost \$62,500,¹⁴ based on conventional lending practices and 95% financing.

The median single-family home price dipped to \$210,000 by the end of 2009. However, with a higher property tax rate of \$10.69 per thousand and more rigorous lending criteria, including down payment requirements of 20%, households remain challenged to afford to buy in Hubbardston despite lower average prices. To afford the \$210,000 sales price under the current tax rate, a household would have to earn about \$47,000, which is within the 80% HUD area median income limits for households of at least two (2) members. Nevertheless, it does assume that such a household has saved at least \$45,000 for the down payment and closing costs, not easily accomplished for those who have not earned some equity from a former purchase. If the family qualified for a subsidized mortgage under the state or USDA with no more than a 5%

¹⁴ Figures based on 95% financing, interest of 5.5%, 30-year term, annual property tax rate of \$9.51 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 percent of loan amount.

down payment, at least \$54,000 in income would be required, still within the 80% of area median income limits for households of three (3) or more members. It should be noted that a federal tax credit of \$8,000 has been available to help first-time homebuyers.

The average listed price of a condominium was about \$215,000 in mid-2009, requiring an income of approximately \$65,500 assuming a condo fee of about \$200 and 95% financing. This is less than the adjusted median income of \$77,934. The median condo price actually increased to \$237,450 as of the end of 2009, requiring an income of about \$61,000, based on 80% financing (a 20% down payment) and a condo fee of just \$200 per month. With 95% financing, the required income would increase closer to \$71,500, assuming the need for private mortgage insurance (if a state or USDA subsidized mortgage is not used) and a \$200 condo fee.

In regard to rentals, the gross median rent of \$471 from the 2000 census required an income of about \$20,000, including utilities, which is well within the means of those earning below 80% of area median income. Local rental listings indicate that market rents are actually higher, ranging from \$850 for a small two-bedroom home in the Town Center, to about \$1,100 for a waterfront condominium, and to \$1,950 for a four-bedroom single-family home in a waterfront compound. Even the \$850 rental would require an income of approximately \$34,000, not even including the costs of utilities. Large up-front costs such as first and last month's rent and a security deposit create another financial obstacle for those looking for affordable rental options.

Besides looking at purchase prices and rents to determine levels of affordability, it is also useful to examine how much households have been spending on their housing in proportion to their income. As Table II-31 indicates, about 70% of those who had a mortgage were paying mortgage costs of more than \$1,000 in 2000, the median monthly mortgage bill at \$1,152. About one-quarter of homeowners did not have a mortgage on their property.

Table III-31
Mortgage Status and Selected Monthly Owner Costs
2000

Monthly Costs	Number	Percent
With a Mortgage	1,125	75.9
Less than \$300	0	0
\$300 to \$499	14	0.9
\$500 to \$699	65	4.4
\$700 to \$999	267	18
\$1,000 to \$1,499	628	42.4
\$1,500 to \$1,999	144	9.7
\$2,000 or more	7	0.5
Median in Dollars	\$1,152	-
Not Mortgaged	357	24.1

Source: U.S. Department of Commerce, Bureau of the Census 2000

The U.S. Department of Housing and Urban Development (HUD) considers that a household spending 30% or less of their income on housing, including housing expenses,

is living in an affordable unit. In Hubbardston more than three-quarters of owners, 77.6%, were spending within this parameter. However, as Table III-32 indicates, more than 20%, or 315 households, were spending more than 30% of their incomes on housing costs with 1.1% of the units not computed. These households are considered to be living beyond their means. Hubbardston did have a lower percentage of homeowners spending too much for housing than many other communities in the region however.

Table III-32
Selected Monthly Owner Costs as a Percentage of Household Income
1999

Percentage of Household Income	Number	Percent
Less than 15%	440	29.7
15 to 19%	266	17.9
20 to 24%	241	16.3
25 to 29%	203	13.7
30 to 34%	77	5.2
35% or more	238	16.1

Source: U.S. Department of Commerce, Bureau of the Census 2000

As with homeowners, some renters were paying too much for their housing. In looking at gross rents as a percent of income, the 2000 census indicated that while 62% of the renters were spending below the 30% affordability guideline, and excluding households without cash rents, more than one-quarter of renters were spending more than 30% of their incomes on housing and of these 22.7% were spending more than 35% of their incomes on housing expenses.

Table III-33
Gross Rent as a Percentage of Household Income
1999

Percent of Gross Rent	Number	Percent
Less than 15%	46	21.3
15 to 19%	29	13.4
20 to 24%	29	13.4
25 to 29%	30	13.9
30 to 34%	7	3.2
35% or more	49	22.7
Not computed	26	12.0

Source: U.S. Department of Commerce, Bureau of the Census 2000

The U.S. Department of Housing and Urban Development (HUD) prepares a special report, referred to as the CHAS report, that identifies cost burdens by household type and whether they are renters or owners, offering the following breakdown of households within income categories.

Table III-34
Type of Households by Income Category and Cost Burdens*
2000

Type of Household	Households Earning < 30% MFI/# with cost burdens	Households Earning > 30% but < 50% MFI/ # with cost burdens	Households Earning > 50% But < 80% MFI/# with cost burdens	Households Earning > 80% MFI/ # with cost burdens	Total/# with cost burdens
Elderly Renters	29/4	0/0	4/0	0/0	33/4
Small Family Renters	0/0	4/0	15/0	30/0	49/0
Large Family Renters	0/0	0/0	0/0	0/0	0/0
Other Renters	0/0	4/0	4/0	15/0	23/0
Total Renters	29/4	8/0	23/0	45/0	105/4
Elderly Owners	19/15	12/0	24/0	128/0	183/15
Small Family Owners	19/15	12/12	29/19	649/49	709/95
Large Family Owners	4/4	0/0	20/20	154/15	178/39
Other Owners	12/8	18/14	4/0	59/4	93/26
Total Owners	54/42	42/26	77/39	990/68	1,163/175
Total	83/46	50/26	100/39	1,035/68	1,268/179

Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2000.

MFI indicates median family income.

* Cost burdens indicate that households are spending more than 30% of their income on housing.

The CHAS data also provides data on those spending more than 50% of earnings on housing.

This report suggests that there were relatively few households living in Hubbardston in 2000 that were experiencing cost burdens, only four (4) renters and 175 homeowners. However, more than half of all senior households as well as small households who owned their home and were earning at or below 50% of area median income were experiencing housing affordability problems.

D. Gaps Between Existing Needs and Current Supply

In 1999 to 2001, the Executive Office of Environmental Affairs (EOEA) sponsored the preparation of buildout analyses for all 351 towns and cities within the Commonwealth of Massachusetts. The buildout analyses provide projections of the total number of houses and commercial/industrial square footage that could result if every piece of unprotected, buildable land is developed, if no more land is permanently protected within a community, and if zoning remains unchanged. The buildout analysis can provide insight to the potential burdens on community infrastructure. Using a projected growth rate based upon past growth trends, population forecasts and economic forecasts, communities can anticipate the length of time needed to reach buildout and to reach certain growth thresholds, such as when additional schools, water supplies and sewer systems will be needed.

The methodology defines buildable land as undeveloped, unprotected upland that does not include transmission lines or land within 100 feet of a stream or river. The analysis reflects a community's zoning bylaws and regulations, especially concerning the way they treat resource areas such as wetlands and floodplains. If wetland areas can be included in gross building lot area minimums, then wetlands are not considered an absolute constraint to development. Yet wetlands may be considered partial constraints if they restrict the density or type of development in a given area. For example, there may be a 25% limit on all impervious surfaces on parcels located within a certain distance of a wetland. The methodology takes this into account.

The Hubbardston buildout analysis revealed a total of 11,288 acres of residentially-zoned developable land in Hubbardston under current land use controls. Given existing zoning and use controls for commercial and industrial uses, the analysis indicated that the town has potential for 3,118,914 square feet of floor area. If the town builds out under current land use controls, citizens can expect to see 4,618 new housing (4,374 new units given that 244 new units have been built since the projections were prepared) at buildout and the population can be expected to increase by 13,489 new residents. If current family-size trends are extended, the student population would increase by 3,003. Total water demand would increase by 1,245,613 million gallons per day (an increase of nearly 1,500%)¹⁵. At buildout, road miles would increase by 105 miles. Most of these roads would be created to accommodate new housing and subdivisions, placing them under the jurisdiction of the Town. These projections suggest that the town would require yet another 437 affordable units to meet the state's 10% affordable housing goal under Chapter 40B over and above the existing 79 unit gap for a total of about 500 affordable units.

It is important to note that the buildout analysis described Hubbardston's final development phase; it did not attempt to determine the rate of future development or pinpoint the precise year that buildout will be achieved. Hubbardston's rate of development is influenced by a number of disparate factors, including regional and national market conditions and a development limitation bylaw. Therefore, it is virtually impossible to accurately predict the speed at which the town will grow. However, historic rates of development and trends, as documented in building permit records, population forecasts and economic forecasts, may provide insight into future development rates, at least in the near term. This can help Hubbardston anticipate the length of time needed to reach certain growth thresholds, such as when additional schools, water supplies, etc. will be needed. This information is key to planning future municipal budgets.

There is no way to determine the accuracy of these estimates or the timeframe. *However, while the buildout projections may be alarming to many residents, they represent an opportunity for the citizens of Hubbardston to critically assess the Town's future and determine the most appropriate methods of directing future growth.* For example, adjustments can be made to current zoning and land use practices so as to yield a development dynamic that better conforms to hopes and expectations.

¹⁵ Note that the current water demand estimate is based upon a formula specified by the buildout methodology.

Based on this Housing Needs Assessment, there are a number of key indicators that suggest there are significant local needs for affordable housing that go beyond the 56 units that are currently included in the Town's Subsidized Housing Inventory.

1. *Households with Limited Incomes*

- Despite increasing household wealth, there still remains a population living in Hubbardston with very limited financial means. Of the 1,321 total households counted in 1999, 62 or 4.7% had incomes of less than \$10,000 and another 97 or 7.3% had incomes between \$10,000 and \$24,999. The total number of households within these income categories was about 159 in 1999, or 12% of all Hubbardston households.
- Almost 18% of Hubbardston households (or about 233 households), would have likely qualified for housing assistance as their incomes were at or below 80% of area median income defined by the U.S. Department of Housing and Urban Development (HUD) in 2000 of \$34,650 for a family of three.¹⁶
- The town experienced a modest 5.4% increase in poverty from 1990 to 2000. The 2000 census counted 143 Hubbardston residents with incomes below the poverty level or 3.7% of the population, up from 111 residents living in poverty in 1990, or 6.1% of all residents.
- There is no subsidized rental housing for families in Hubbardston.
- In regard to rentals, the gross median rent of \$471 from the 2000 census required an income of about \$20,000, including utilities, which is within the means of low- and moderate-income households. Local rental listings indicate that market rents are actually higher, ranging from \$850 for a small two-bedroom home in the Town Center, to about \$1,100 for a waterfront condominium to \$1,950 for a four-bedroom single-family home in a waterfront compound. Even the \$850 rental would require an income of approximately \$34,000, not even including the costs of utilities.
- There are 18 applicants on the wait list for Hubbardston House, the town's only affordable rental development for seniors that includes some supportive services.
- Hubbardston House, directed to low-income seniors and mobility-impaired individuals, had a waitlist of 18 applicants as of early March 2009, five (5) of whom are Hubbardston residents and another two (2) who once occupied Hubbardston House and would like to return.

Need: Given the limited supply of rental housing, more subsidized rental housing is necessary to make living in Hubbardston affordable, particularly to those described above who have very limited financial means.

Goal: At least half of the units produced should involve rental housing.

2. *Gaps in Affordability and Access to Affordable Housing*

- The 2000 census indicated that almost 30% of Hubbardston's households, or 371 households, were living in housing that was by common definition beyond their means

¹⁶ While these households' incomes might be at or below 80% of area median income, many households are likely to have assets, including equity in their homes, which are more than the allowable state or federal standards that would disqualify them from housing assistance.

and unaffordable because their housing costs were more than 30% of their income, including 56 renter households and 315 owner households.

- More than half of all senior households as well as small households who owned their home and were earning at or below 50% of area median income were experiencing housing affordability problems.
- Real estate listings indicated that ten (10) homes sold between January 1, 2008 through March 5, 2009, for under \$200,000 that would be affordable to low- and moderate-income households.
- While median single-family home prices have decreased from to about \$210,000 as of the end of 2009 and then to \$202,500 by August 2010, lenders are enforcing more rigorous mortgage criteria including 20% down payments, making homeownership unaffordable for many first-time purchasers.
- Demographic trends suggest that escalating housing costs may be pricing younger individuals and families out of the housing market. For example, those younger residents between the ages of 21 and 34 who were entering the labor market and starting their own families decreased as a percent of the population from 1980 to 2000, from 24.5% to 14.6%.
- Almost 80% or 15 of the 19 small family owners who earned at or below 30% of area median income, as well as the same level of elderly owners within this income range, were spending more than half of their income on housing.

Need: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and beginning their own families as well as housing for seniors looking to downsize from their single-family homes.¹⁷

Goal: At least half of the units produced should involve ownership housing including the conversion of existing units to affordable ones eligible for counting on the Subsidized Housing Inventory.

3. *Disabilities and Special Needs*

- There are a number of residents who have special needs and are disabled. Of the 2000 population age 5 to 20 years old, 77 or 7.6% had some disability, and of the population age 21 to 64, 306 or 13.2% claimed a disability, but 74.2% of this group was employed leaving 79 residents unemployed, most likely related to the disability. In regard to the population 65 years of age or older, 81 or 30.5% of those in this age group claimed some type of disability. These levels of disability, particularly that of seniors, represent special needs within the Hubbardston community.
- Hubbardston House includes supportive services for frail seniors in 19 of its 36 units, however, it is likely that additional supportive housing or assisted living options are needed for Hubbardston's aging population.
- Hubbardston had 20 units in group homes sponsored by the Massachusetts Department of Developmental Services that were included in the town's Subsidized Housing Inventory,

¹⁷ It should be noted that state subsidies to support affordable homeownership are extremely limited, and the Town will likely need to rely on internal subsidies (where the market units cross-subsidize the affordable ones and CPA funding.)

- recently reduced to 17 units. It is likely that the town could use additional housing for those with special needs.
- Almost 80% or 15 of the 19 elderly owners who earned at or below 30% of area median income were spending more than half of their income on housing.
 - While population projections prepared by the Montachusett Regional Planning Commission are likely to significantly overestimate population growth, they indicate that those over age 65 will grow substantially from 6.9% of the population in 2000 to 12% by 2020.
 - Hubbardston House provides supportive services to 19 frail, low-income, elderly residents but there is a wait list for others interested in living in this development.

Need: Some amount of new housing should be built adaptable or accessible to the disabled, including seniors.

Goal: 10% of all new housing units created should be handicapped adaptable and/or incorporate supportive services.

4. Housing Conditions

- Nearly one-third of Hubbardston's housing stock was built before 1970, and it is likely that a good portion of these older units might be substandard and require some improvements. Houses in this age category are likely to have traces of lead-based paint, posing safety hazards to children as well as problems concerning aging system and structural conditions.
- Because town residents are almost entirely reliant on septic systems, it is likely that there are septic system problems and even failures that need repair.
- The Montachusett Regional Planning Commission received CDBG funding from the state to restore the Housing Rehabilitation Loan Program that provides 0% deferred loans to qualifying property owners for necessary home improvements. Thirteen (13) Hubbardston homeowners participated and there are others on the wait list hoping that additional funding will be made available.

Need: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes.

Goal: Provide residents with information on current housing improvement programs operated by the Montachusett Regional Planning Commission and MassHousing and refer interested and potentially eligible property owners to them.

Another look at the gaps between what housing is available in Hubbardston and what residents can afford to pay is demonstrated in the following affordability analysis. Table III-35 indicates that there is only a very limited shortage of rental units for those earning between 50% and 80% of area median income, however, the available data was based only on existing renters in 2000 and does not reflect pent-up regional need for additional rental opportunities. HUD data further suggests that some elderly renters were spending too much on housing and there is a wait list for units at Hubbardston House, which serves those seniors earning at or below 50% of area median income. There is likely to be a need for more affordable rental options for both seniors and families.

Table III-35
Rental Unit Need/Demand Analysis
2000 to 2008

Income Group	Income Range*	Affordable Rent	# Households** 2000/2008	# Existing Units*** 2000/2008	Deficit/ Surplus 2000/2008
Less than 30% of AMI	\$13,000 and less	Less than \$325	29/26	38/36	+9/+10
Between 30% and 50% of AMI	\$13,001 to \$21,650	\$326 to \$541	8/6	20/47	+12/+41
Between 50% and 80% of AMI	\$21,651 to \$30,800	\$542 to \$770	23/19	17/9	-6/-10

Source: 2000 HUD SOCDS CHAS Data – Housing Problems Output for All Households

* Based on 2000 HUD Income Levels for average size household of three persons.

** It can be assumed that incomes have increased since 2000, which would likely reduce these numbers somewhat. The 2008 projections are based on 4/5 the percentage change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

*** The projections are based on 4/5 the percentage change in the numbers in these categories between the 1990 and 2000 census, assuming a similar rate of change.

Table III-36 estimates that as of the end of 2008 there was a surplus of affordable homeownership opportunities in Hubbardston, largely as the result of a significant reduction in mortgage interest rates and declines in house prices given the recession. However, mortgage financing is very difficult to come by, particularly for condominiums, and subsidized mortgage instruments for qualifying first-time homebuyers may be the best options for those seeking to enter the mortgage market.

Table III-36
Homeownership Need/Demand Analysis, 2000 to 2008

Income Group	Income Range*	Affordable Sales Prices 2000/2008	# Households 2000/2008**	# Existing Units 2000/2008***	Deficit/ Surplus 2000/2008
Less than 80% of AMI	\$34,650 and less	\$110,000/ \$200,000 for single-family, \$215,000 for condos and \$300,000 for multi-family	173/134	231/257	+58/+123

Sources: 2000 HUD SOCDS CHAS and Census data, and Hubbardston Assessor's Office

*Based on 2000 HUD Income Levels for average size household of three persons.

** It can be assumed that incomes have increased since 2000, which would likely reduce some of these numbers somewhat. The 2008 projections are based on 4/5 the percentage change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

*** Updated assessments from Hubbardston Assessor's Office.

D. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

It will be a great challenge for the town of Hubbardston to create enough affordable housing units to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including the following:

A. Zoning

As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Hubbardston's Zoning By-law largely embraces large-lot zoning of 80,000 square feet as noted below.

Table III-37
Dimensional Requirements

	R-A District	Town Center	Commer- cial District	Light Industrial District
Minimum Lot Area	80,000 square feet	80,000 square feet	80,000 square feet	100,000 square feet
Minimum Frontage	200 feet	200 feet	200 feet	300 feet
Minimum Front Yard	75 feet	75 feet	100 feet	250 feet
Minimum Rear/Side Yard	30 feet	30 feet	30 feet	75 feet
Maximum Height	30 feet	30 feet	35 feet	50 feet
Maximum Lot Coverage	25%	25%	50%	50%

Source: Town of Hubbardston Zoning By-laws

Zoning bylaws enable a community to direct growth to appropriate locations and create incentives for buildings that will benefit the community, including better integrating affordable housing into new development. Hubbardston's zoning was put in place to slow development, preserve the town's rural character and accommodate septic systems in compliance with Title V requirements, and maintains very low housing densities. The low density requirements severely constrain the construction of affordable housing and promote sprawl that unless checked may ultimately degrade the community's rural charm, scenic resources, wildlife habitat, and air quality. Hubbardston's bylaw does however, requires an Environmental and Community Impact Analysis to guide the Planning Board's deliberations in granting Special Permits for a wide range of uses.¹⁸

This analysis must address the following concerns:

1. The environmental and community impacts;
2. Adverse impacts which cannot avoided;
3. Alternatives to the proposed use and development; and
4. Measures to be used to minimize adverse impacts.

Hubbardston's Zoning By-Law has the following provisions that affect residential development, including affordable housing:

¹⁸ Hubbardston Zoning Bylaws, Section 8.3.

- *Development Rate Limitations*

The intent of this bylaw is “to ensure the orderly growth and development of the Town of Hubbardston and the adequate provision of services to its residents”.¹⁹ To accomplish this, the provision requires that the Building Commissioner issue no more than 28 building permits per year for the construction of new residential dwellings. Additionally, no applicant can submit more than two (2) complete applications for a new single/double building permit to the Building Commissioner in any given month and permits will not be issued to any applicant for the construction of more than five (5) new family dwelling units in any calendar year for any lots that are contiguous or held in the same ownership.

The bylaw allows the Planning Board to issue a special permit authorizing exemptions to the above requirements based on particular circumstances such the reconstruction of an existing dwelling or for non-residential purposes. The bylaw also includes the following exemption related to the inclusion of affordable housing.

“Upon determination by the Planning Board, under a Special Permit, that the proposed development will meet special needs in housing provision, the proposed development shall be exempt from this growth bylaw. A special permit may be granted if the housing is proposed by a public, non-profit, or limited dividend organization or corporation relying on committed state or federal subsidies, where at least twenty-five percent (25%) of the units will initially be sold or leased at terms affordable to households and individuals with incomes not exceeding those defined as “Moderate Income” and at least twenty-five percent (25%) of the new units will initially be sold at terms affordable to households and individuals with incomes not exceeding those defined as “Middle Income: by the Massachusetts Department of Housing and Community Development.”²⁰

The Planning Board may also grant Special Permits for more rapid development for up to ten (10) single-family dwelling units if all of the following determinations can be made:²¹

- A salient and unmet housing need would be addressed;
- Adequate infrastructure and other mitigating measures are being provided to ensure that municipal services are not being overburdened; and
- Expected benefits to the community outweigh anticipated adverse impacts upon municipal service or public facilities associated with the issuance of a Special Permit.

A Senior Residential Development may also be exempted from the building permit limitation through a Special Permit and may authorize the issuance of all required permits in one year depending upon the expected benefits to the community and anticipated need for such housing.²²

¹⁹ Hubbardston Zoning Bylaws, Section 6.1.

²⁰ Hubbardston Zoning By-laws, Section 6.5.

²¹ Hubbardston Zoning By-laws, Section 6.7.

²² Hubbardston Zoning By-laws, Section 6.10.

- *Open Space Residential Development (OSRD)*

The Zoning By-law states that “the purpose of an OSRD is to encourage the preservation of open land by providing an alternative pattern of development”²³ through which specific objectives are likely to be met such as preserving the town’s rural character and allowing greater flexibility and creativity of design in residential subdivisions as long as the overall density of the development is no greater than what would normally be allowed under subdivision regulations. The Planning Board requires a preliminary subdivision plan that conforms to its subdivision rules to determine the number of lots in a traditional subdivision. The OSRD must have an area of at least 20 acres in the Residential/Agricultural or Commercial District and have at least 200 feet of frontage on an exiting town way. Also at least 50% of the gross land area must be preserved as undeveloped open space. This percentage can contain wetland but not to exceed the percentage of wetland for the entire site. Other requirements include a 40,000 minimum lot size (including 25,000 square feet of upland), minimum lot frontage of 125 feet, results of at least two (2) soil evaluations and parcels restored to their pre-testing condition (a bond for an estimated amount to restore the area must be posted with the Planning Board to assure that the restoration is finished), and provide a mix of housing types. OSRD housing may consist of single-family and two-family structures, but the two-family structures require any additional 25 feet of frontage and 15,000 square feet of upland and cannot comprise more than 50% of the units in the OSRD. The bylaw does not include any density bonuses or make any references for the inclusion of affordable housing. This bylaw has not been used to date.

- *Senior Residential Development*

The bylaw includes a provision for the development of age-restricted housing (one member of the household must be 55 years or older) that meets the following purposes:²⁴

1. Provides for housing options for a maturing population that reduce maintenance costs and are more affordable than traditional single-family dwellings;
2. Provides for a type of housing development that reduces demands on municipal and educational services;
3. Promotes development that is in harmony with the Town’s natural features and resources, its traditional landscapes, the existing and probable future use of adjacent land and the general intent of the Zoning Bylaw; and
4. Establishes flexible residential development standards and procedures that will support these objectives.

A Special Permit from the Planning Board is required and may be granted for a property of at least 20 acres in the residential/agricultural district or commercial district. The site must also include at least 200 feet of continuous frontage along a Town way. Units can be attached or detached, or a combination of these types, and contain no more than two (2) bedrooms. No building can contain more than four (4) units. The residential density

²³ Hubbardston Zoning By-laws, Section 16.2.

²⁴ Hubbardston Zoning By-laws, Section 19.1.

cannot exceed 1.5 units per acre of developable land (1.0 unit per acre in the Aquifer Favorability Protection District). Additionally, at least 30% of the land area must be set-aside as common land for the use of residents or the general public. Two (2) condo developments have been approved through this bylaw including Madison Greens and Moose Horn Hill Condominiums. While there is no reference to the inclusion of affordable units that meet particular income requirements, two of the units at Madison Greens will be affordable and eligible for counting as part of the Town's Subsidized Housing Inventory.

- *In-Law Apartments*²⁵

The Zoning Bylaw defines an in-law apartment as a group of rooms in an owner-occupied, single-family residence, with its own kitchen and bathroom facilities and used as a separate apartment for a limited number of persons (not to exceed four) related to the owner-occupants such as in-laws, elderly relatives or grown children. These units are permitted by right in the residential district or town center. The Building Department indicates that this bylaw has been used fairly frequently, but does not maintain updated totals.

- *Accessory Apartments*²⁶

Accessory apartments are allowed under the bylaw by Special Permit in the residential-agricultural district. The Zoning Bylaw defines these units as a group of rooms in an owner-occupied residence, with its own bathroom and kitchen facilities, used as a separate apartment that was created from existing space within the residential structure, which place has been part of the structure for the life of the structure or for at least five (5) years, and built in such a way that exterior alterations do not alter the single-family appearance of the structure with sufficient additional on-site parking space to serve the needs of the apartment's occupants. The Building Department indicates that residents have preferred using the In-Law Apartment bylaw over this one.

- *Two-family Dwellings*²⁷

Two-family dwellings or semi-attached residential structures are allowed by right in the agricultural/residential district and town center, however, an additional 30,000 square feet of land area is required over and above the single-family unit requirement as well an additional 50 feet of frontage. The Building Department indicates that residents have preferred using the In-Law Apartment bylaw over this one, particularly given the additional frontage requirement.

- *Multi-family Housing*²⁸

Hubbardston does not have a multi-family zoning district, but the Zoning Bylaw allows multi-family structures of up to four (4) units outside of the Aquifer Favorability Protection District when there is 30,000 square feet of additional land area provided for

²⁵ Hubbardston Zoning By-laws, Section 2.37.

²⁶ Hubbardston Zoning By-laws, Section 2.38.

²⁷ Hubbardston Zoning By-laws, Section 4.1.

²⁸ Hubbardston Zoning By-laws, Section 2.38.

each unit beyond the single-family unit requirement and an additional 50 feet of frontage per unit, also beyond the single-family unit requirement. This bylaw has rarely been used.

Mitigation Measures: Section VI.B of this Housing Plan provides a number of zoning strategies to better guide and promote affordable housing development.

B. Infrastructure

A major constraint and cost factor for new development relates to infrastructure, particularly the lack of sewer and water services throughout town that, with only minor exceptions, has the community completely reliant on wells and septic systems. Consequently, any new development is prone to generate local concerns about water supply and quality. It will be important for any new affordable housing development to address septic issues in particular, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment.

The Town has provided municipal sewer service for the Hubbardston Center School in the Town Center, and there have been some limited discussions regarding the possible future expansion of this infrastructure or the ability of private property owners to hook-up to this existing service.

Mitigation Measures: It will be important for any new affordable housing development to address these infrastructure constraints, septic issues in particular, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment.

C. Environmental Concerns

Hubbardston is home to regionally significant natural resources including the Chicopee (Ware River) Watershed and Millers River and Otto River Watersheds among many others. In Hubbardston, the headwaters of the Otter River head north from wetlands that are formed by the confluence of the Templeton Brook, which could be classified as a cold water fishery, and Hubbardston Brook, which contains both a medium yield and high yield aquifer and flows from a wetland at the drainage divide between the Millers and Ware River Watersheds. The area is also designated as a Biomap Core Habitat and contains a high number of certified vernal pools.

Most of Hubbardston in fact lies within the Ware River Watershed, which forms the headwaters of the Chicopee River. This Watershed is designated as “Outstanding Resource Waters” as it has exceptional socio-economic, recreational, ecological and aesthetic value. These waters are known for their high quality drinking water and are used as a source of water supply either to the Quabbin Reservoir or directly to the Wachusett Reservoir through the Quabbin Aqueduct. As such, they have more stringent requirements than other waters because the existing use is so exceptional or the perceived risk of harm is such that no lowering of water quality is permissible.

Four rivers flow through Hubbardston within this designated area including the East and West Branches of the Ware River, the Canesto Brook and Burnshirt River. The pH of each of these

rivers has frequently been below Surface Quality Water Standards, indicative of poor buffering capacity. A number of efforts have been made to protect the drinking water supplies in these areas including the Millers River Basin Team, established under the Massachusetts Watershed Initiative of the Executive Office of Energy and Environmental Affairs (including the development of a regional open space plan) and ongoing assessment by the Massachusetts Department of Environmental Protection, funded under the Federal Clean Water Act.

Water resource protection is considered a top priority due to Hubbardston's geographic placement within the watersheds of two major drinking water reservoir systems that contribute to the Metropolitan Boston water supply. In fact, the state's Department of Conservation and Recreation (DCR) owns 45% of the town's land area, which it protects against development. In addition to this substantial land area, the Wetlands Protection Act and the Riverfront Amendment (Cohen Bill) covers areas adjacent to these watershed protection zones, and prohibits any building within 200 feet of these areas. Moreover, any building proposed within 200 to 400 feet of these zones requires DCR approval. However, while most residents support the water resource protection efforts, significant sentiment exists that DCR's public access policies to the Ware River Watershed and Millers River/Otto River Basin area, in which they are charged with protecting, can be confusing and may go too far in limiting activities.

Another environmental issue involves soil conditions. Approximately 34% of Hubbardston's soils are characterized by the poorly to very poorly drained organic soils (mucks) that due to their wetness, low strength (bearing capacity) and stoniness severely limit a site's development capabilities for septic suitability and development. Another 38% involve sandy loam conditions with moderately slow to very slow permeability that also limit development.

Hubbardston's inland water resources are important habitats for insects, fish and amphibians that in turn provide food for birds and mammals. Hubbardston has in fact a large variety of native wildlife such as birds, small mammals, amphibians, fish and reptiles. Their habitats include wetlands, vernal pools, woodlands, transitions between woods and fields, and other natural areas, which provide forage for species that subsist on the vegetation and other wildlife. No recent inventory of the wildlife of the entire town has been made, but the Massachusetts Natural Heritage and Endangered Species Program (MNHESP) maintains information on rare and endangered wildlife species and has identified a number of such species in Hubbardston in these important and vulnerable habitats.

The field data presented in Table III-38 represents the most recent observation of that species in town. However, because they are rare, many MESA-listed species are difficult to detect even when they are present. Natural Heritage does not have the resources to be able to conduct methodical species surveys in each town on a regular basis. Therefore, the fact that the 'Most Recent Observation' recorded for a species may be several years old should not be interpreted as meaning that the species no longer occurs in a town. However, Natural Heritage regards records older than twenty-five years as historic.

**Table III-38
Rare and Endangered Species in Hubbardston**

Taxonomic Group	Scientific Name	Common Name	MESA Status	Most Recent Observation
Bird	<i>Botaurus lentiginosus</i>	American Bittern	E	2008
Bird	<i>Gavia immer</i>	Common Loon	SC	2005
Fish	<i>Notropis bifrenatus</i>	Bridle Shiner	SC	1960
Mammal	<i>Sorex palustris</i>	Water Shrew	SC	1999
Reptile	<i>Glyptemys insculpta</i>	Wood Turtle	SC	1999
Reptile	<i>Terrapene carolina</i>	Eastern Box Turtle	SC	1992
Vascular Plant	<i>Amelanchier bartramiana</i>	Bartram's Shadbush	T	1996
Vascular Plant	<i>Carex oligosperma</i>	Few-fruited Sedge	E	1998
Vascular Plant	<i>Juncus filiformis</i>	Thread Rush	E	1954
Vascular Plant	<i>Malaxis bayardii</i>	Bayard's Green Adder's-mouth	E	1877
Vascular Plant	<i>Nuphar microphylla</i>	Tiny Cow-lily	E	1911
Vascular Plant	<i>Potamogeton confervoides</i>	Algae-like Pondweed	T	2004
Vascular Plant	<i>Rhododendron maximum</i>	Great Laurel	T	1935

Source: Massachusetts Natural Heritage and Endangered Species Program. E= Endangered, T=Threatened and SC=Special Concern.

Vernal pools are small ponds that dry up in the summer but reappear each spring in the same location. They are essential for the breeding of salamanders and certain other species. Through a process of certification with MNHESP, these ponds are provided with extra levels of protection pursuant to several environmental regulatory programs, including the Wetlands Protection Act, Surface Water Quality Standards and Title V. The state has certified 311 vernal pools in Hubbardston as of November 2008, substantially more than any other community in the state, with Dracut having 196 pools and Boxford with 100, the towns with the next highest numbers of pools.

Hubbardston has an active Conservation Commission to protect environmentally sensitive areas. While regulations to protect the environment (e.g., wetlands, aquifers, septic systems) are important and essential, they present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing.

Mitigation Measures: The Town of Hubbardston has a strong commitment to preserving what remains of its natural environment including the areas described above. The impacts of any new development must be identified as to how they affect the environment and what actions might be required to mitigate impacts. Moreover, housing strategies are largely oriented to actions that will promote smart growth and limit impacts on the environment such as converting existing housing to long-term affordability, developing infill sites in existing neighborhoods, cluster development, and encouraging mixed-use development (see Section VI.B and C for details on these strategies).

D. Transportation

The principal highway that provides access to Hubbardston is State Route 2, the old Mohawk Trail, that runs across northern Massachusetts. Access is also available by State Route 140 and Interstate Route 190 that connect to Worcester. Residents must use Routes 68 and 62 to get in and out of Hubbardston, which have seen enormous single-family homes building pressure over the past 25 years. The town has no access to public transportation and residents must rely on the automobile, which presents an additional cost burden for those with limited incomes, particularly those on fixed incomes.

To accommodate new development, MRPC build-out projections anticipate that another 105 miles of roadway will be added to Hubbardston's existing 88 miles. In view of present traffic and projected increases, it is essential that the Town evaluates and selects appropriate measures to relieve the impact of growth on traffic yet still grow incrementally, a formidable challenge.

Mitigation Measures: The Town will have to pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems. The development of mixed-uses in village centers has the potential for reducing at least some reliance on the automobile (see Section VI.B.4 for details).

E. School Enrollment

The census showed that the school-aged population of those under 18 decreased somewhat from 34% of the total population in 1980 to 31.1% in 2000. In actual numbers of students, this population doubled, likely putting strains on the area's schools during this time period. Population projections, however, indicate that the growth of this age group is expected to slow down over time. Population projections by MISER of the age distribution through 2010 and 2020 estimate that while the number of children below 19 years is likely to increase, proportionately the projections have this age group declining somewhat from 33.2% in 2000 to 30.3% in 2020.

Additionally, build-out projections computed by MRPC in 2000, sponsored by the state's Executive Office of Environmental Affairs (EOEA), indicated that the school-age population should increase by about another 3,000 children when Hubbardston reaches its full development potential, however there are no reliable projections as to when buildout is likely to occur or if these estimates are accurate.

Mitigation Measures: Population projections estimate a decline in student enrollments, which without substantial new development, should not put significant strains on existing school facilities.

F. Availability of Subsidy Funds

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. However, Hubbardston is fortunate to have Community Preservation funding to support community housing efforts. These funds are excellent resources for leveraging other public and private funds to finance new development and special local housing initiatives.

Mitigation Measures: This Housing Plan provides guidance on the use of Community Preservation Funds and the establishment of a Municipal Affordable Housing Trust Fund (see Section VI.A. 1) for affordable housing initiatives that will enable the Town to better support the production of new affordable units and leverage other public and private funding sources. In an effort to better manage and coordinate funding for affordable housing purposes, this Plan recommends that the Town secure additional professional support (see Section VI.A.2).

G. Community Perceptions

Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms can conjure images of potential neglect, plunging property values, increased crime, and even tensions concerning class and race. On the other hand, with relatively high real estate prices, community perceptions are beginning to tilt towards the realization that affordable housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, as well as impending 40B developments, which is spurring communities such as Hubbardston to take a more proactive stance and greater interest in supporting affordable housing initiatives. Also, once residents understand that the Town may be able to reserve up to 70% of the affordable units in any new development for those who have a connection to Hubbardston, as defined by the state, referred to as “community preference”, greater local support is typically more forthcoming.

Mitigation Measures: Hubbardston proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section VI.A.2). It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for real input. Moreover, this Plan proposes that the Town hold at least annual housing summits to provide opportunities for local leaders to share information about the status of affordable housing initiatives to better promote municipal communication and cooperation in the implementation of various strategies. It also recommends ongoing training opportunities related to affordable housing for local leaders.

V. AFFORDABLE HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) administered the Planned Production Program since December 2002, in accordance with regulations that have enabled cities and towns to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.²⁹ If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny comprehensive permit applications for one or two-years, respectively.³⁰ Subsequent changes established some new rules.³¹ For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock, translating into ten (10) units per year or 20 units over two years for Hubbardston, to 0.50% of its year-round units, meaning that Hubbardston will have to now produce at least seven (7) affordable units annually (13 units for two-years) to meet production goals through 2010. Despite a reduction in annual production goals, it will still be a substantial challenge for Hubbardston to meet these prescribed annual affordable housing production goals as it is for most communities, particularly small rural towns.

Using the strategies summarized under Section VI and priority needs established in Section III.E, the Town of Hubbardston has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income.
- Projections are based on no fewer than four (4) units per acre, averaging about eight (8) total bedrooms. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.

²⁹ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

³⁰ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

³¹ Massachusetts General Law Chapter 40B, 760 CMR 56.00.

- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or possibly the “friendly” comprehensive permit process. The Town will work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing funding from CPA where appropriate (see strategy VI.C.2).
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section III.C) where about half of the units are directed to rentals. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

**Table V-1
Hubbardston Housing Production Program**

Strategies by Year	Affordable Units < 80% AMI	Total # units
Year 1 – 2010		
Nothing pending at this time		
Year 2 – 2011		
Conversion of existing housing/ownership	2	2
Private development/OSRD bylaw/ ownership	2	16
<i>Subtotal</i>	<i>4</i>	<i>18</i>
Year 3 – 2012		
Conversion of existing housing/ownership	2	2
Development of Town-owned property/ rental*	10	10
Private development/nonconforming lot	1	2
<i>Subtotal</i>	<i>13</i>	<i>14</i>
Year 4 – 2013		
Conversion of existing housing/ownership	2	2
Private development/group home/ special needs rental	6	6
Private development/nonconforming lot	1	2
<i>Subtotal</i>	<i>9</i>	<i>10</i>
Year 5 – 2014		
Conversion of existing housing/ownership	2	2
Private development/inclusionary zoning/homeownership	2	10
Private development/mixed-use project/ rental	2	4
Development of Town-owned property/tax title lot – duplex/ownership*	1	2
Private development/"friendly" 40B/ Homeownership*	5	20
<i>Subtotal</i>	<i>12</i>	<i>38</i>
Total	39	80

* Will involve a "friendly" 40B process.

VI. HOUSING STRATEGIES

The strategies outlined below are based largely on previous plans, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning and Planning, and Housing Production – and categorized according to priority as those to be implemented within Years 1 and 2 and those within Years 3 to 5. A summary of these actions is included in Appendix 1.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:³²

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
 - Promote affordable housing in mixed-use development (see strategy VI.B.4)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
 - Continue to make suitable public land available for affordable housing (see strategy VI.C.1)
 - Promote affordable housing in mixed-use development (see strategy VI.C.4)
 - Continue to partner with private developers (see strategy VI.C.2)
 - See “friendly” 40B projects listed in production goals (Section V)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
 - Adopt inclusionary zoning (see strategy VI.B.2)
 - Integrate affordable housing in the Open Space Residential Development (OSRD – cluster bylaw) Bylaw (see strategy VI.B.1)
 - Convert existing housing to affordability (see strategy VI.C.3)
 - As indicated in strategy VI.C.2, the Town should continue to work with developers to create affordable housing in line with smart growth principles including:
 - Mixed-use development in appropriate locations,
 - Redevelopment of nonresidential properties into housing,
 - Smaller infill housing in existing neighborhoods, and
 - Cluster development.
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
 - Continue to make suitable public land available for affordable housing (see strategy VI.C.1)

³² Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- *Participation in regional collaborations addressing housing development*
 - Promote homebuyer counseling and other homebuyer services (see strategies VI.A.2)
 - Proposed participation in the Housing Rehab Loan Program with Ashby sponsored by the Montachusett Regional Planning Commission (MRPC) – a funding application to DHCD is pending.

It should be noted however, that a major goal of this Plan is not only to come closer to meeting the state’s 10% goal under Chapter 40B, but to also to serve local needs and there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of in-law or accessory apartments or mixed-income housing that includes “community housing” or “workforce housing” units)³³.

Within the context of these compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section II of this Plan, the following housing strategies are offered for consideration. ***It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.*** Moreover, the proposed actions present opportunities to judiciously invest CPA funding to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, modify or create new local zoning provisions and development policies, help preserve the existing affordable housing stock, and build local capacity.

A. Capacity Building Strategies

Affordable housing is a topic that is complicated by special and typically multiple layers of financing and regulation, as well as misinformation and negative stereotypes. This combination of a complex development process and typical NIMBY reactions from the community make it challenging for any municipality to promote affordable housing, particularly small rural towns with limited examples of affordable housing, fewer resources, and little staff capacity. However, the strategies listed below can bolster local efforts to better promote mixed-income or affordable housing units, providing better information to the community and more professional support to local leaders in their efforts to produce affordable housing and thus meet diverse local housing needs and make progress towards the 10% Chapter 40B affordability goal.

1. Establish a Municipal Affordable Housing Trust Fund

Current Status: Discussions with other communities regarding the success of their affordable housing initiatives indicate that it is often critical to have accessible funds available to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of Town-owned property, or private donations. In order to receive

³³ “Community housing” commonly refers to housing units directed to those earning from 80% to 100% of area median income, eligible for CPA assistance but not for inclusion in the SHI. “Workforce housing” commonly refers to those earning between 80% and 120% of area median income whose incomes are above most subsidy program limits but who are largely still priced out of the private housing market.

donations and avoid paying taxes, it is useful for each locality to have a dedicated housing fund that offers communities greater ability to support the development of affordable housing. Also, it is important to have a designated municipal body that is responsible for overseeing affordable housing issues including the implementation of this Housing Production Plan.

On June 7, 2005, the Governor signed new legislation, called the Municipal Affordable Housing Trust Fund Act, which simplified the process of establishing such entities. More than 50 communities have adopted these trusts to date and many more have plans to do so during the coming year. Previously, cities could create trusts through their own resolution, but Towns had to get approval from the state Legislature through a home rule petition. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed and confirmed by the Board of Selectmen, in the case of towns, and including a member of the Board of Selectmen or the Town Administrator. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, it is likely that most trusts will opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction project.

Next Steps: Hubbardston's Board of Selectmen should seek approval at its next Town Meeting for the establishment of a Municipal Affordable Housing Trust Fund and appoint members of the Board of Trustees. This Housing Trust would serve as the Town's permanent committee for overseeing housing issues and the implementation of the Housing Production Plan, managing the Affordable Housing Trust Fund, and defining policy issues that are in the public interest.

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund. It should be noted that some communities have decided to commit CPA funding to these Housing Trust Funds without targeting the funding to any one specific initiative. For example, the Towns of Grafton and Sudbury, among others, are directing 10% of their annual CPA allocation to their Trust Funds. The Trust is encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting just approved a Municipal Housing Trust and funded it with \$700,000 of Community Preservation funding that had accumulated over the past few years in their reserve for community housing.

Many communities are reaching out to residents for private donations of land to promote housing affordability. Inclusionary zoning (see strategy VI.B.2), if passed, may also provide cash resources that can help capitalize the Affordable Housing Trust Fund if the developer decides to pay cash in lieu of constructing actual affordable units. Developers may also contribute to the Housing Fund through negotiations on comprehensive permit

projects or other local developments. Developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B.

Some other communities have found other ways of capitalizing their Housing Trust Funds. For example, the Town of Harwich channels lease payments of a cell tower to their Fund and has also dedicated the sale proceeds of particular Town-owned properties to the Trust Fund. The Housing Trust could work with local churches on some additional activities that focus on affordable housing, including, for example, donations to the Housing Fund, perhaps during Fair Housing month. In addition to CPA funding and other public sector resources, the Town might also receive private sector donations.

Timeframe: Years 1-2

This process could be accomplished within the next year, ready for vote by the next Town Meeting.

Responsible Party: Board of Selectmen

Resources Required: The process of creating the Affordable Housing Trust Fund is relatively straightforward with simple warrant language. Once established, it will be incumbent upon the Town to support efforts to capitalize the Fund including the commitment of CPA funding in support of affordable housing initiatives, which it is required to do now.

2. Conduct Ongoing Community Education

Current Status: In June 17, 2009, the Hubbardston Ad Hoc Affordable Housing Subcommittee of the Zoning Board of Appeals presented the results of its Housing Needs Assessment (see Section III of this Plan) in a public meeting that highlighted the current gaps between the supply of housing and local needs. Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to continue to dispel myths and misinformation and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

Next Steps: The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue of affordable housing, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education opportunities should be pursued such as:

- *Forums on specific new initiatives*
As the Town develops new housing initiatives, the sponsoring entity should hold community meetings to insure a broad and transparent presentation on these efforts to other local leaders and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are requested.

- *Annual housing summits*
Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing. Having a forum to share information on current housing issues would help foster greater communication and coordination among these entities including the Planning Board, Zoning Board of Appeals, Community Preservation Committee, Council on Aging, etc. Additionally, inviting community residents can help build community interest, improve communication and garner support. Many communities are sponsoring such events, at least on an annual basis. For example, Truro organized a panel discussion on housing issues, inviting representatives of other towns on the Cape and organizations involved in affordable housing. Yarmouth held a spaghetti dinner and offered an update on their affordable housing initiatives with opportunities for feedback from local leaders and the public.
- *Public information on existing programs and services*
Despite a sluggish housing market, high housing costs are still creating problems for low-income residents. For example, renters continue to confront difficulties finding safe and decent rental units. Owners, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements and increasingly, some may be faced with foreclosure. Seniors on fixed incomes, who lose a spouse also lose important income that can lead to a financial crisis. Additionally, some seniors and those with special needs require handicapped adaptations and repairs to help them remain in their homes.³⁴ Hubbardston residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

The Town should get the word out about existing programs and services that support homeownership, property improvements or help reduce the risk of foreclosure including first-time homebuyer and foreclosure prevention counseling from the Greater Gardner CDC, for example. There are also counseling programs available to help renters prepare for homeownership, to assist existing residents in preventing foreclosure, to help with budgeting, etc. These are also described in Appendix 3.

³⁴ In the past, the Montachusett Regional Planning Commission (MRPC) administered a Housing Rehab Program that with state support through Community Development Block Grant funds offered technical and financial assistance to homeowners earning no more than 80% of area median income. This program as well as the other comparable programs operated throughout the state were not refunded, but MRPC recently reapplied for funding and is waiting to hear from DHCD about the status of their application for a comparable program to serve residents of both Hubbardston and Ashby. There are also other housing improvement resources offered through MassHousing and other organizations that can be helpful to area property owners. For more information on these housing rehab options see Appendix 3.

The Town, through the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust, might also consider reaching out to residents and request funding or property donations to support existing and future affordable housing projects, explaining the tax advantages involved in such contributions.

- *Educational opportunities for board and committee members*
Local boards such as the Community Preservation Committee, Zoning Board of Appeals, Planning Board, Ad Hoc Affordable Housing Subcommittee, the proposed Housing Trust (see strategy VI.A.1 above) and other interested local leaders, should be able to receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation regarding their responsibilities. Moreover, requirements keep changing and local leaders must remain up-to-date. Funding for the professional development of staff, including any designated housing professional (see strategy VI.A.3), would also help keep key professionals informed and up-to-date on important new developments, best practices and regulations.

The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership conducts at least annually the Massachusetts Housing Institute, which is "an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices". Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition, also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural "how to" booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

Timeframe: Years 1-2

Responsible Party: Hubbardston Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust

Resources Required: Volunteer time of members of the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust to organize housing summits and special forums and track training opportunities. Attendance fees could be paid through the Community Preservation Fund when required. The Planning Board would be responsible for public meetings on new zoning bylaws. Support from the proposed housing professional would also be extremely helpful.

3. *Secure Sufficient Professional Oversight*

Current Status: Those communities that are making progress in promoting affordable housing and in the implementation of their Housing Plans, typically have strong leadership and access to professional expertise related to housing. Also, DHCD guidelines require that each community have a “local project administrator” who is responsible for overseeing any efforts related to counting accessory apartments as affordable and requires towns to monitor affordability of SHI units or designate this task. Most communities designate some staff person or entity to do this work, if applicable, and communities have accomplished this in different ways. For example, the Town of Marshfield issued a Request for Proposals for a Housing Coordinator position and has hired consultants over the past few years. The Town of Grafton has an Assistant Planner on board to assume many of these housing-related functions based on initial guidance from a housing consultant. Chatham relies on its Housing Authority staff, which have been instrumental in the development and administration of various CPA-funded initiatives. Weston supports a housing position with a combination of CPA and other Town revenues. Bourne and Sudbury have used CPA funds to hire a part-time Affordable Housing Specialist. Other communities are relying on staff support from local community development corporations (CDC’s).

Next Steps: The Town should determine how best to insure that it has adequate oversight to implement this Plan. It will be important to also make sure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state’s Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used. In addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are being developed through some local action (referred to as Local Action Units) including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the city or town; and/or
- Provision of land or buildings that are owned or acquired by the city or town and conveyed at a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Additionally, a Subsidized Housing Inventory New Units Request Form must be submitted to DHCD to insure that these units get counted.

Some of the important tasks for insuring that the affordable units, now referred to as Local Action Units (LAU's), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the unit(s) meets the requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiatives Program (LIP).
- Contact DHCD to discuss the project and determine the purchase price or rents based on LIP Guidelines.
- Prepare a LIP Local Action Units application submitted by the municipality (chief elected official), including an Affirmative Fair Housing Marketing Plan, working with the developer.
- Execute a regulatory agreement or land disposition agreement to further insure long-term affordability between the developer, municipality and DHCD, if applicable.
- Implement the Marketing Plan.
- Hold at least one information session about the lottery.
- Approve applicants for eligibility in the lottery.
- Prepare a letter to those eligible for inclusion in the lottery and another to those who do not qualify.
- Conduct the lottery.³⁵
- Work with winning applicants and lenders to secure mortgage commitments for ownership projects.
- Obtain the deed rider and resale price certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, and contact info for the closing attorneys for ownership projects.
- Work with lenders and the developer to close on the units for ownership projects.
- Submit necessary documentation to DHCD to have the unit(s) counted as part of the Subsidized Housing Inventory.
- Annually recertify the continued eligibility of affordable units.

The Town needs to designate a municipal employee or a consultant to coordinate this work. Associated administrative costs should come from the project budget and could also be covered by Community Preservation funding. The affordability restrictions for all units produced through the Local Initiative Program will be monitored by DHCD, but it is the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions.

This housing professional would also be instrumental in developing and implementing special project and program strategies that are included in this Housing Plan.

³⁵ Up to 70% of the affordable units in most developments can be reserved for those who have a connection to the community as defined by Section C of the state's Affirmative Fair Housing Marketing Plan guidelines, dated June 25, 2008.

Timeframe: Years 1-2

Responsible Party: Board of Selectmen with input from the proposed Housing Trust (see strategy VI.A.1).

Resources Required: Some time from an identified municipal staff person or consultant for a designated scope of services, the cost of which would vary depending upon the required tasks.

4. Continue to Apply for a Commonwealth Capital Score to Secure Funding from State Capital Spending Programs

Current Status: The state established Commonwealth Capital as a policy that encourages communities to implement smart growth measures by making municipal land use regulations more consistent with smart growth principles. The state uses these reforms as part of the evaluation of proposals for state funding under a number of state capital spending programs related to economic development, the environment, transportation and infrastructure as well as housing. Municipalities have been scored based on what progress has been made in bringing local regulations, policies and land use-related initiatives into greater compliance with smart growth principals.

While the future of Commonwealth Capital was in doubt during the transition from the Romney to Patrick administrations, particularly when the Office of Commonwealth Development that administered the program was disbanded, the state has maintained the basic principles of Commonwealth Capital. In fact the changes for fiscal year 2008 were quite modest that included an altered list of discretionary state programs to which the policy applies. More recently the state made more substantive changes that are summarized in Appendix 3. It is important to note that the completion of this Housing Plan would result in a higher score as would many of the strategies included in this Plan such as:

- Zoning for mixed-use development
- Zoning for more flexible, cluster development
- Inclusionary zoning
- Attainment of Housing Production certification (meeting annual production goal)
- Production of housing units on municipally owned land or with municipal funding
- Where 66% or more of new units produced is through mixed-use development (including 40R and TOD), cluster development, multi-family housing, single-family development on ¼ acre lots, and/or conversion or redevelopment activities.

The Town has submitted Commonwealth Capital applications in the past and based on considerable progress with respect to affordable housing production and this planning process, anticipates improved scores in the future.

Next Steps: With staff support from a designated municipal official or a housing professional, the Board of Selectmen should continue to prepare and submit the scoring application under Commonwealth Capital prior to applying for any of the state's capital spending programs or as required.

Timeframe: Years 1-2

Responsible Party: Board of Selectmen

Resources Required: Will require staff time from a designated municipal staff person or housing professional (see strategy VI.A.3) to prepare the application for scoring under Commonwealth Capital.

B. Zoning and Planning Strategies

“Hubbardston has evolved from a landscape which was predominantly made up of large expanses of wetlands, second-growth forest, and farm properties (crops, orchards, animal pastures) – open space – with a centrally-located social and business sector, to a residential community made up of 2+ acre (average) house lots – many in developments – sprinkled amongst fewer and fewer remaining fragmented, undeveloped parcels. The traditional zoning policy adopted by the town – a minimum of two acres per lot with a 200-foot frontage requirement – has led to a consumptive sprawling growth pattern.”³⁶ There are many who live or would like to live in Hubbardston who prefer to live on a large lot separated from their neighbors, in a more private setting. However, local leaders need to assess whether the continued focus on this type of development, with very little diversity of residential settings, is the best course for the town to pursue or whether through local zoning alternatives, “smarter” development patterns can better be promoted.³⁷

Hubbardston’s zoning bylaw does provide for important growth management protections (e.g., Aquifer Favorability Protection District, site plan review for all special permit uses, a general wetlands bylaw to control activities affecting wetlands, a rate of development bylaw, an Open Space Residential bylaw). Nevertheless, new tools will be required to offer some additional housing choices, capture more affordable units and better guide new development to specific “smarter” locations while still preserving the environment and preserving open space.

The Zoning Bylaw’s minimum dimensional requirements create the likely need for regulatory relief for most residential development that includes affordable units, possibly through the “friendly” comprehensive permit process that overrides local zoning if not through normal regulatory channels. Additionally, the Zoning Bylaw incorporates a number of provisions that while intended to encourage affordable housing, have not provided sufficient incentives to realize actual new affordable unit production and should be revisited and revised as necessary (see Section III.E).

The Town of Hubbardston should consider the following zoning-related strategies to promote the creation of additional affordable units and to better direct new development through an updated

³⁶ Town of Hubbardston Draft Open Space and Recreation Plan Update, 2007-2012, prepared by the Hubbardston Open Space Committee, page 14.

³⁷ Smart growth is the term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and an improved jobs/housing balance.

cluster development bylaw, small nonconforming lots, mixed uses in appropriate locations and inclusionary zoning. These actions can be considered as tools that the Town will have available to promote new housing opportunities, each applied to particular circumstances and providing a powerful group of resources when available in combination. (Units created through the use of these bylaws are counted as part of housing production strategies included in Section VI.C.)

1. Integrate Affordable Housing into the Open Space Residential Development (OSRD) Bylaw

Current Status: Hubbardston's Zoning Bylaw includes an Open Space Residential Development that requires part of the development parcel be set-aside and regulated as permanent open space when such plan is preferable to a conventional residential subdivision. This provision promotes a "smarter" and more compact type of development pattern as units are built in a cluster instead of the conventional grid pattern, allowing higher density on a portion of the site and creating permanently restricted open space. The bylaw does not include any requirements or incentives for including affordable housing, nor has it been used to date.

Next Steps: The Town should consider amending the OSRD bylaw to better promote cluster development that is more economically feasible, better designed, and beneficial to the Town including at least the following changes:

- Incorporating density bonuses for the integration of some amount of affordable housing to encourage mixed-income development and support project feasibility;
- Allowing multi-family dwelling types beyond just two-unit structures;
- Reducing minimum parcel size and other dimensional requirements.

The Planning Board should review model bylaws and tweak the existing bylaw. Model bylaws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, and adopted by a number of Massachusetts communities. Several examples are offered on the Citizen Planner Training Collaborative website (www.umass.edu/masscptc/examplebylaws.html) and the state's Smart Growth Toolkit (www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html).

Timeframe: Years 1-2

Responsible Party: Planning Board

Resources Required: The Planning Board should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy may also require the professional support from a consultant, which could be supported by CPA funding.

2. Adopt Inclusionary Zoning

Current Status: Inclusionary zoning, not currently included in Hubbardston's Zoning Bylaw, is a zoning provision that requires a developer to include affordable housing as part of a development or potentially contribute to a fund for such housing. This mechanism has been adopted by more than one-third of the communities in the state to insure that any new development project over a

certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing. This bylaw applies to development that typically meets local zoning requirements, but most communities have determined it appropriate to incorporate density bonuses in their inclusionary bylaw. Many of the municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units and/or cash contributions to the locality for investment in affordable housing production. Most of the effective bylaws include mandated percentages of units that must be affordable, typically 10% to 20% and density bonuses³⁸. Some also allow the development of affordable units off-site and/or cash in lieu of actual units.

Next Steps: There are a variety of bylaws that have been adopted in localities throughout the state but requirements vary considerably. The Executive Office of Environment and Energy's Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout (www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html). The Citizen Planner Training Collaborative's website has a model bylaw with commentary and some policies as well (www.umass.edu/masscptc/examplebylaws.html).

The Hubbardston Planning Board should explore models and prepare a zoning amendment that is best suited to supporting affordable housing in Hubbardston. The Planning Board should prepare, adopt and present the bylaw to Town Meeting for adoption. Ideally the adoption of this bylaw would lead to the production of actual housing units, but may also deliver payments in lieu of actual units to help capitalize Hubbardston's Affordable Housing Fund. *It is important that density bonuses are sufficient to make the inclusion of the affordable units financially feasible and that any formula for determining cash payments in lieu of units be sufficient to fully subsidize new affordable unit creation.*

Timeframe: Years 3-5

Responsible Party: Planning Board

Resources Required: The research and preparation of the bylaw could be performed with input from a consultant. If the Town decided to hire a consultant, the fee should not be more than \$5,000 and could be covered by CPA funds.

It will be important to also insure that all affordable units produced through the bylaw get counted as part of the Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD if another housing subsidy is not used. The major tasks for insuring that the affordable units, referred to as Local Action Units (LAUs), meet the requirements of Chapter 40B are summarized under strategy VI.A.3 and Appendix 3. Some professional oversight is required (see strategy VII.A.2), the costs to be budgeted as part of the project.

³⁸ Density bonuses allow increased densities beyond what is allowed under the Zoning Bylaw.

3. ***Allow Affordable Housing on Nonconforming³⁹ Lots***

Current Status: There are parcels of vacant land that at this time cannot be developed because they do not meet the area and other dimensional requirements of the Zoning Bylaw, which are particularly stringent for Hubbardston with an average of two-acre zoning. It is likely that at least some of these parcels could in fact be suitably developed as housing. Smaller lots would encourage the construction of smaller homes under appropriate guidelines to provide some housing options that are not currently being created by the private market - such as “starter housing” or homes for empty nesters – and still meet Title V requirements.

A revision to the bylaw that reduces the minimum square foot lot requirement under certain conditions or in certain locations, as well as other dimensional requirements, should also be considered to allow larger developments of smaller homes on smaller lots. Such development is consistent with patterns of construction that prevailed earlier in the last century that led to the construction of housing that was more broadly affordable. When coupled with design guidelines that encourage garages behind rather than in front of houses, this smaller scale development could encourage the creation of more walkable neighborhoods in particular parts of town. When linked to open space preservation requirements, this development reduces sprawl and protects Hubbardston’s rural character – goals still consistent with affordable housing production.

Next Steps: The Planning Board should explore zoning options for promoting smaller homes on nonconforming lots and work with a consultant to prepare a zoning amendment that will enable these lots to be developed based on specific criteria or process each case as part of the Local Initiative Program (LIP). The Ad Hoc Affordable Housing Subcommittee of the ZBA has already prepared a list of nonconforming lots in Hubbardston that includes lots of various sizes, including 17 lots with more than one acre. Once new zoning is in place, this list will be helpful in reaching out to owners and informing them of opportunities for development.

The Town of Dennis has adopted a bylaw to allow “affordable lots” that enables nonconforming lots to be built on by special permit if they meet the following conditions:

- Contains at least 10,000 square feet and satisfies other Board of Health requirements.
- Has safe and adequate access to a public or private way.
- Is similar in size and shape to surrounding lots.
- The dwelling cannot have more than three bedrooms with a minimum of 5,000 square feet of lot area per bedroom.
- The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to be built upon shall be deed restricted as permanently affordable (the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).

³⁹ Some municipalities refer to these properties as “nonconforming” as well.

Still another consideration might be to decrease the minimum lot requirement to 15,000 or even 10,000 square feet for two-family homes in the residential district where one of the units is affordable and eligible for counting as part of the Subsidized Housing Inventory.

Timeframe: Years 3-5

Responsible Party: Planning Board in consultation with the Zoning Board of Appeals

Resources Required: This strategy requires a zoning amendment that will need to be overseen by the Planning Board and drafted by a consultant, the fees of which can be covered by CPA funding.

4. *Promote Affordable Housing in Mixed-Use Development*

Current Status: Hubbardston's Zoning Bylaw strictly limits commercial development and does not allow mixed residential and commercial development, however a couple of such properties do still exist in town built decades ago. The Town Center is predominated by churches, Town facilities and historic homes, while small businesses are typically located well away from the Town Center, scattered along Route 68. Town Center zoning in fact encourages continued two-acre residential development, reflective of Hubbardston's agrarian residential character.

Next Steps: As local leaders plan for Hubbardston's future growth, some consideration should be given to how best to guide new commercial development to serve Hubbardston's growing population, including the promotion of particular areas of town where greater density will be allowed and housing can be integrated. Clearly the lack of water and sewer services makes this denser development far more challenging.

The Planning Board should explore bylaws for promoting mixed-use development in appropriate locations along Route 68 and that incorporates some housing and prepare a zoning amendment that best meets Hubbardston's needs. This amendment would be submitted to Town Meeting for approval. Some housing affordability should be required and design guidelines met in return for allowing the density that will make high quality development economically feasible. Efforts should be made to insure that new development continues to reflect Hubbardston's small town character.

There are bylaws that have been adopted in other communities that offer models on how to integrate housing, including affordable housing, in town or village centers and other commercial areas. The Town of Yarmouth recently passed a Village Center Bylaw that would be worth reviewing, and the Metropolitan Area Planning Council (MAPC) has prepared a report entitled, "Mixed Use Zoning: A Planner's Guide" that can be referenced. Additionally, the Citizen Planner Training Collaborative offers several models including one adopted by the Town of Dennis. It should be noted again that the Town's lack of sewer services significantly constrains density unless special treatment facilities are available. At some point in the future the Town might consider adding sewer services to its village centers to better promote the vitality of these areas and follow "smart growth" principles.

Other communities have rezoned industrial areas to allow housing, mandating some amount of affordable housing, most notably the Town of Bedford that went from an affordability level of about 4% in the early part of the decade to over 18%.

Another option would be to develop policy and design guidelines on mixed-use development and process acceptable projects through the “friendly” 40B process as established under the state’s Local Initiative Program (LIP).

At some time in the future, the Planning Board may want to explore form-based zoning, starting with a mixed-use overlay district along an area or areas of Route 68. A form-based zoning code controls the specific urban form of growth and development as opposed to the traditional zoning focus on controlling land uses. Form-based zoning was developed largely in response to urban sprawl, the deterioration of historic neighborhoods, and lack of focus on walkability. The regulations and standards in form-based codes designate the appropriate form, character and scale of development based on a community vision as opposed to the type of use and the control of development intensity through abstract and uncoordinated parameters such as floor area ratios, number of units per acre, setback requirements, parking ratios, etc.

Timeframe: Years 3-5

Responsible Party: Planning Board

Resources Required: This strategy will require donated time from the Planning Board with potential input from a consultant.

5. Create an Inventory of Properties Potentially Suitable for Affordable Housing

Current Status: The Town of Hubbardston has little public property available, however, this Housing Production Plan includes a preliminary list of a couple of potential public sites that may be suitable for the development of housing, including some amount of affordable housing (see strategy VI.C.1). While open space preservation and recreation are clear priorities in Hubbardston, there should be opportunities to coordinate planning on Town-owned sites to accommodate both open space preservation, and even some recreational opportunities, with “smart” clustered affordable housing development. Other towns are pursuing this strategy successfully. For example, the Towns of Boxford and Carlisle have both acquired private properties with Community Preservation funding and are developing affordable housing and athletic fields, while preserving most of the parcels for open space.

Total land area in Hubbardston includes almost 26,000 acres of which the Town owns almost 400 acres. Three hundred (300) of these acres do not have designated uses or are in tax-title. The Town’s Open Space Committee prepared an Open Space and Recreation Plan in the spring of 2007, and during this time reviewed key Town holdings as well as possible private property acquisitions.

Next Steps: Representatives from the Ad Hoc Affordable Housing Subcommittee of the ZBA or proposed Housing Trust should work with other Town boards and committees such as the Planning Board, Board of Assessors, Open Space Committee and Conservation Commission to

review the inventory of Town-owned property and determine which parcels, if any, might be appropriate for some amount of affordable housing. After some initial environmental testing and other preliminary feasibility analyses, the costs of which could be covered by CPA funds, the Town could declare these parcels surplus, obtain Town Meeting approval for the conveyance, and select a developer via a Request for Proposals (see strategy VI.C.1 for more information on the process of developing Town-owned property). The Town should also consider what privately-held properties might be suitable for affordable housing and work with existing owners to develop or acquire (see strategy VI.C.2).

Timeframe: Years 1-2

Responsible Party: Board of Selectmen

Resources Required: Donated time of members of the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust and other Town boards and committees.

C. Housing Production Strategies

As noted in Section V, this Housing Production Plan includes production goals of at least seven (7) units per year. This goal is likely to increase to about eight (8) units after the next decennial census count becomes available. These goals, as articulated in the Housing Production goals in Table V-1), translate into 39 affordable units through 2014.

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Hubbardston to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. Most of the production will actually focus on joint ventures with developers – for profit and non-profit – to create affordable units either through new construction or the conversion of the existing housing stock to deed-restricted, long-term affordability.

It should also be noted that Hubbardston's Zoning Bylaw includes provisions that allow in-law apartments, accessory apartments and two-family homes under certain conditions. In fact, the in-law apartment bylaw has been used a fair amount according to Town officials, although these units cannot be counted as part of the SHI. Nevertheless, they fill important local needs for diversifying the housing stock, providing small rental units, and often creating additional benefits to both the owners and tenants. Therefore, while not formally included in this Housing Plan's production goals, the promotion of this bylaw and continued approval of such units is an integral component of the Town's housing agenda.

Moreover, to provide further support for these production initiatives, the Town is interested in exploring how it can make financing more affordable for qualifying purchasers on homeownership initiatives by working with local lenders on special programs. For example, the Town could become a guarantor of mortgages or provide some down payment and closing cost assistance using CPA funding.

The following strategies provide the basic components for the Town to meet its housing production goals:

1. Make Suitable Public Land Available for Affordable Housing

Current Status: The Town has a limited number of Town-owned properties on which could potentially develop as affordable housing. Nevertheless, the Town will look into the suitability of various lots on Ragged Hill, Mile and Pitcherville Roads as possible parcels on which to site affordable housing.

In addition to currently owned Town parcels, the Town of Hubbardston may decide to acquire privately owned sites at some time in the future for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. As mentioned above in strategy VI.B.5, other communities have used CPA funding to acquire properties for such development including Boxford and Carlisle that are developing housing and athletic fields while preserving most of the site as open space. Additional smaller sites may be available as well to build affordable new starter homes on in infill basis. Acquisition could occur through the private housing market or through special negotiations with existing owners who are interested in selling their properties for a discounted price in exchange for tax advantages.

Some opportunities may also be available through the taking of tax-foreclosed properties for affordable housing. For example, there are approximately 40 properties on small lots at Pine Crest, including a barn with some acreage, that are currently in the tax foreclosure process that might become available to the Town. The proposed Housing Trust could work with the Pine Crest Property Owners Association to convert some of these properties to long-term affordability.

Next Steps: The Ad Hoc Affordable Housing Subcommittee should identify and pursue surplus municipal property for the development of affordable housing. Where appropriate, the Town should also support the costs of preliminary feasibility analyses of existing Town-owned parcels. Such analyses could be funded through Community Preservation funds.

Following the necessary approvals for the conveyance of Town-owned properties, the Town's Chief Procurement Officer with input from a housing professional, should prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements and select a developer based also on identified criteria included in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and this might be obtained through normal regulatory channels, if community support is assured, or the "friendly" comprehensive permit process through DHCD's Local Initiative Program (LIP) or other subsidizing agency. Additionally, the Town will need to be involved in attracting the necessary financial, technical and political support. Evidence of municipal support is often critical when seeking financial or technical assistance from regional, state or federal agencies. The foregone amount the Town might have received by auctioning the property would be considered the Town's commitment to subsidizing the affordable unit(s).

Hubbardston should consider the following process when planning for the development of Town-owned property:

- *Conduct preliminary feasibility analysis on potential development sites.*
The first responsibility for this action, besides the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust, will be Town staff or representatives from other boards and committees who are capable of providing some technical input as to whether a particular site is feasible for housing development and what constraints must be considered in preparing development plans. Additionally, the Town might commit CPA funding to hire a consultant(s) to conduct the necessary preliminary feasibility analysis.
- *Secure approval from Town Meeting to convey parcel for development to incorporate affordable housing,*
The Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust should make this request and provide supportive documentation regarding the proposed project.
- *Prepare and issue a Request for Proposals (RFP) for developers that includes project guidelines (e.g., approximate size, density, ownership vs. rental, target market/income mix, level of affordability, design issues, community preference criteria, siting, financing available, ownership and management, other stipulations) and selection criteria.*
The Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust should work with Hubbardston's Chief Procurement Officer on this task, potentially hiring a consultant to prepare the document.
- *Select developer.*
Once again the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust should work with the Town's Chief Procurement Officer and potentially a consultant on the selection process. It will be important for the Town to conduct a fair and rigorous process for reviewing proposals to insure that it designates the most capable developer. The Town should consider a selection process with two phases. First, all applicants must meet specific threshold requirements for their proposals to be considered competitive. All respondents to the RFP who pass the threshold requirements would then be evaluated and ranked according to competitive selection criteria such as:
 - Level of construction experience and capacity.
 - Level of financial ability and capacity.
 - Cost and price projections (applicants are evaluated according to how the proposal strikes a balance between project quality and cost).
 - Quality of the proposed design and product.
 - Cost control ability and current capacity.
 - Experience working with government-assistance programs.

Based on the proposals and references, the proposals are evaluated and ranked with the most highly qualified respondent earning designation. All of this information should be formally documented.

- *Prepare and finalize plans and budget.*
The designated developer is responsible for this task.
- *Secure regulatory approvals.*
The designated developer is responsible for obtaining regulatory approvals with support from the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust. As the likely designated Town Committee responsible for housing, the proposed Housing Trust could also be helpful in intervening, as appropriate, to expedite approvals and lend local support. If the project involves a comprehensive permit, the affordable housing units can be counted as part of the Town's Subsidized Housing Inventory when the 40B permit is approved and appropriate documentation is sent to DHCD. If the project does not involve a comprehensive permit, the affordable units would be counted through the subsidizing agency and program when the building permits are issued. It will be important to insure that all requirements for incorporating the affordable units in the Subsidized Housing Inventory are followed. (See Appendix 3 for details.)
- *Secure financing.*
The designated developer will ultimately be responsible for obtaining project financing, including both public and private sources. Support from the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust will be helpful, and letters of support from the Town, including the Board of Selectmen, will be critical in applying for subsidies where needed.
- *Conduct closing including conveyance of property to the developer.*
The Town will prepare and enter into an agreement that will contain all of the terms of the development and the respective responsibilities of the Town and developer including the disposition of the property for typically a nominal value representing the Town's major commitment to the affordability of the new housing.
- *Secure building permits.*
The designated developer will take the lead.
- *Start construction.*
The designated developer will be responsible.
- *Market and select tenants/owners for affordable units.*
The Town needs to identify an entity to coordinate these functions that could be assumed eventually by the Housing Trust or performed by a capable non-profit housing organization located in a nearby community, such as the Greater Gardner CDC, or potentially the developer. The developer or designated realtor could be involved in marketing the market rate units. Critical to this marketing effort is an Affirmative Fair Housing Marketing Plan that must be approved by DHCD prior

to the commencement of marketing efforts, which should occur about six (6) months prior to projected occupancy.

It is important to recognize that Hubbardston can designate up to 70% of the available units in both rental and ownership projects for those who meet community preference criteria including Town residents and employees of the municipality and other local businesses. The Town must bear in mind that, however unintended, the use of local preference cannot have a discriminatory effect and as such housing lotteries must be marketed throughout the region to meet Fair Housing requirements and comply with all federal and state affirmative marketing regulations to have the affordable units counted as part of the Town's Subsidized Housing Inventory.

- *Complete construction.*
The developer will be responsible.
- *Occupy property*
The designated developer will be ultimately responsible. If the project did not involve a comprehensive permit, documentation must be submitted to DHCD to insure that the affordable units are counted as part of the Town's Subsidized Housing Inventory.
- *Manage property.*
The professional management of new rental housing is critical to the future viability of the development, and the management entity must have a proven track record and be approved by the Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust. If the proposed project sponsor does not have the expertise to undertake project management functions, it should work with the Town to identify a private company or capable non-profit organization to assume these important management functions.
- *Monitoring of affordability including annual income recertification of tenants in affordable units in the case of rentals and resales in affordable homeownership projects.*
DHCD is now providing monitoring services for units subsidized through their Local Initiative Program (LIP). This Housing Plan includes a strategy to bring in the necessary professional support to monitor the continued affordability of units in the Subsidized Housing Inventory (SHI) and insure that all new units added to the SHI meet all state requirements for counting (see strategy VI.A.3). These services could also potentially be provided by a nearby non-profit organization, such as the Gardner CDC.

As indicated above, in addition to existing Town-owned parcels, the Town might consider acquiring other privately owned properties over the next decade, through CPA funding, a debt exclusion of Town tax revenues or by leveraging other financial resources. As sites are identified, the Ad Hoc Affordable Housing Subcommittee or

proposed Housing Trust should work cooperatively with the Board of Selectmen and Community Preservation Committee to commit the needed resources to make projects feasible. If any of the preliminarily identified existing Town-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of affordable units would be met primarily through this acquisition process or private development.

Timeframe: Years 1-2

Responsible Party: Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust.

Resources Required: It would be useful to have professional support to coordinate this effort, working with the Town's Chief Procurement Officer to prepare a Request for Proposals, coordinate the developer selection process and oversee development and construction, marketing and tenant/owner selection and occupancy. In addition to the costs of coordinating development, resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the "friendly" comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Other communities are finding that they require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish these objectives. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

It is likely that a number of financial and technical resources will be required to produce affordable units in Hubbardston. Appendix 3 includes summaries of many of these, however, some are listed below.

- Predevelopment funding from the state's Priority Development Fund, CEDAC, MHIC, Life Initiative, etc.
- Federal HOME Program financing of up to \$65,000 per unit administered through DHCD for a range of housing activities. These are competitive funding sources, and DHCD typically accepts proposals through two funding rounds per year.
- Possible federal financing through Low Income Housing Tax Credits to developers of affordable housing that provide significant equity into a development. The allocating agency is DHCD and there are typically two funding rounds per year. These funds are directed to rental properties solely and are extremely competitive.

- Section 202 federal financing to non-profit organizations for the development of rental housing targeted to very low-income seniors or those with disabilities.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers (this program is administered through the state, Housing Authorities and regional non-profit organizations).
- Section 8 to Homeownership Program, enabling Section 8 subsidy recipients to access homeownership.
- Additional resources that are directed solely to first-time homebuyer projects to make homeownership more affordable including the Soft Second Loan Program, American Dream Downpayment Assistance Program and MassHousing First-Time Homebuyer financing.
- Financing from CEDAC to support innovative forms of affordable housing including SRO's, transitional housing, limited equity cooperatives, etc. and to preserve existing affordable housing developments.
- OneSource Loan Program is a streamlined financing program offered jointly by MHIC and Massachusetts Housing Partnership Fund offering construction and permanent financing in a single package.
- Other state funding programs such as the Housing Stabilization Program and Affordable Housing Trust Fund.

Projected # Affordable Units Produced: 11 units

2. Partner with Private Developers

Current Status: With incentives created in the zoning bylaw to promote affordable housing (see Section VI.B) and with the availability of the “friendly 40B” option, the Town is in a good position to work cooperatively with developers, both for profit and non-profit, to guide new development that incorporates affordable units. This Housing Production Plan suggests that new provisions should be made to incorporate affordable housing into the following types of development opportunities in line with “smart growth” principles:

- Mixed-use development in appropriate locations,
- Redevelopment of nonresidential properties into housing,
- Smaller infill housing in existing neighborhoods including the development of tax title property and nonconforming lots for affordable housing, and
- Cluster development.

Support for such development could be processed through normal regulatory channels when the projects are in basic compliance with existing zoning or could be handled through the “friendly” 40B process offered through the state’s Local Initiative Program (LIP). Comprehensive permits have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. Many of these projects have also incorporated more affordable units than those required under Chapter 40B. Key to the success of these new developments was the partnership between the Town and the developer to build

affordable housing and the infusion of state-supported subsidy programs (see Appendix 3 for a summary of resources) as well as the expertise of the developer in building affordable housing.

Next Steps: The Town should reach out to local developers, for profit and non-profit entities, who have been active in producing affordable housing in the region to discuss the Town's interest in promoting these units, possible areas and opportunities for new development, and local priorities for new development. Certainly the Greater Gardner CDC should be contacted as well as RCAP Solutions, and Habitat for Humanity of North Central Massachusetts.⁴⁰

To effectively guide development, the Town should also establish a process for reviewing local development proposals in their early conceptual stages to provide useful feedback to developers on preliminary plans. The Town should therefore identify the Ad Hoc Affordable Housing Subcommittee of the ZBA or proposed Housing Trust as the municipal entity to oversee this review and bring in a housing professional to coordinate the process (see strategy VI.A.3).

As noted above in strategy VI.C.1, the Town should become alert to opportunities for acquiring property that would be suitable for some amount of affordable housing. Ideally such properties would meet a number of smart growth principals such as:

- The redevelopment of existing structures,
- Infill site development including small home development on nonconforming lots as starter housing,
- Parcels large enough to accommodate clustered housing,
- Mixed-use properties in village areas or along commercial corridors;
- Good carrying capacity for water and septic systems or can accommodate special treatment facilities,
- Buffer between adjacent properties, and
- Located along a major road.

Timeframe: Years 1-2

Responsible Party: Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust

Resources Required: The proposed housing professional (could be paid by CPA funds – see strategy VI.A.3) should take the lead in reaching out to affordable housing developers and in staffing the local proposal review process, and working with developers on the “friendly” 40B process where appropriate.

Projected # Affordable Units Produced: 19 units

⁴⁰ While Hubbardston is not currently part of its service area, they would work with the Town given that the community is currently unserved by any one Habitat affiliate organization. Habitat for Humanity of North Central Massachusetts is in fact applying to expand its service area and the timing is good to insure that Hubbardston is integrated into its area.

3. ***Convert Existing Housing Units to Affordability***

Current Status: Hubbardston is also looking to preserve the affordability of the existing housing stock by converting some existing market units to state-defined “affordable” ones, thus insuring the long-term affordability of existing units. Because local market prices are fairly reasonable, with about 60% of the town’s residential property assessed below \$300,000, this strategy may be a compelling one for Hubbardston. There are a variety of program strategies that provide affordability by focusing on existing dwelling units rather than creating new ones including:

- **Mortgage Assistance Programs:** Providing subsidies to qualified first-time homebuyers to fill the gap between the market purchase price and the affordable price that is allowed under the state’s Local Initiative Program (LIP).

Several towns have also adopted mortgage assistance programs. For example, the Town of Chatham has introduced the First Time Homebuyers Assistance Program that uses up to \$60,000 in CPA funds per household to subsidize the program, filling the gap as indicated above. Purchasers are pre-qualified through the Program before they are able to search in the private housing market for a qualifying home. Purchasers are also required to attend first-time homebuyer classes and encouraged to explore more affordable mortgage financing such as loans through the state’s Soft Second Loan Program. The Chatham Housing Authority administers the Program.

The Town of Bourne has also introduced a mortgage assistance program, referred to as the Bourne Housing Opportunity Purchase Program (B-HOPP). This Program involves matching those on a pre-qualified ready to buy list (developed through a lottery) with identified properties in the private housing market, providing the necessary subsidy to make the units affordable. Maximum subsidies are \$15,000 per bedroom for single-family homes and \$20,000 per bedroom for condominiums. Another aspect of B-HOPP is to have purchasers utilize the most advantageous mortgages available, such as through the USDA or Soft Second Program, reducing the necessary subsidy to the greatest extent possible. The Program will also allow its CPA funds to be used to bring the dwelling up to HUD Housing Quality Standards. Despite the overall downturn in the housing market, Bourne is finding that the amount of subsidy should be increased to accommodate sales prices and property repair needs.

- **Buy-downs:** Purchase of existing housing units, *renting or reselling* the units subject to a deed restriction assuring permanent affordability.

Buy-down programs have operated in a number of communities including the Sandwich Home Ownership Program (SHOP) implemented several years ago that produced seven (7) affordable housing units under the coordination of the regional non-profit housing organization, the Housing Assistance Corporation (HAC). This is a prototype that could be used by other communities with subsidies from the Community Preservation Fund and/or HOME funding. The following is a proposed breakdown of the budgetary requirements per unit, premised on being able to find a suitable home or condo on the market for \$300,000⁴¹:

⁴¹ More subsidy would be required for those communities with higher market values.

PROPOSED USES

Acquisition costs	\$300,000
Legal fees	\$2,000
Home inspection	\$500
21E inspection ⁴²	\$850
2 mos. mortgage/interest payments	\$2,000
Insurance	\$120
Repairs	\$5,000
Utilities/heat	\$1,000
Overhead/administration	\$15,000
Total Uses	\$326,470

PROPOSED SOURCES⁴³

Selling price	\$150,000
CPA funds	\$176,470
Total Sources	\$326,470

HAC is replicating this effort in Yarmouth with the prospects of possibly being able to expand it to other communities some time in the future. The Town has already committed \$500,000 in Community Preservation funding to subsidize the initiative, and HAC also received a commitment of \$130,000 from the County HOME Consortium and \$20,000 per unit from DHCD. Since the market has continued to soften from the time of the original application, HAC believes that it can create seven (7) affordable units with the committed funding.

Next Steps: The Town of Hubbardston, through its Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust and the support of a housing professional (see strategy VI.A.3), should discuss the most appropriate program approach for Hubbardston, create a program design, obtain approval of CPA funding, and implement the program.

Timeframe: Years 1-2

Responsible Party: Ad Hoc Affordable Housing Subcommittee or proposed Housing Trust

Resources Required: Some professional staff time (see strategy VII.A.2) paid through CPA funds or the Affordable Housing Fund to oversee project operations.

Projected # Affordable Units Produced: 8 units

⁴² Environmental inspection required if HOME funding is used.

⁴³ For some of the SHOP homes HOME and Federal Home Loan Bank funds were used which equaled \$20,000 and \$7,500 per home respectively.

APPENDIX 1

Summary of Housing Strategies

Strategies	Priority for Implementation		# Affordable Units	Responsible Party**
	In Years 1-2	In Years 3-5		
Capacity Building Strategies				
1. Establish a Housing Trust	X		*	BOS
2. Conduct ongoing community education	X		*	Ad Hoc H SC/HT
3. Secure sufficient professional oversight	X		*	BOS/Ad Hoc HSC/HT
4. Continue to apply for Commonwealth Capital scoring	X		*	BOS
Zoning and Planning Strategies				
1. Integrate affordable housing in the OSRD bylaw	X		*	PB
2. Adopt inclusionary zoning		X	*	PB
3. Allow affordable housing on nonconforming lots		X	*	PB/ZBA
4. Promote affordable housing in mixed-use development		X	*	PB
5. Create an inventory of Town properties for housing	X		*	BOS
Housing Production Strategies				
1. Make suitable public property available for affordable housing	X		11	BOS/ Ad Hoc HSC/HT
2. Partner with private developers	X		19	Ad Hoc HSC/HT
3. Convert existing housing to affordability	X		8	Ad Hoc HSC/HT

**Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted towards production goals.*

** Abbreviations

Board of Selectmen = BOS Ad Hoc Affordable Housing Subcommittee = Ad Hoc HSC

HT = proposed Housing Trust (strategy VI.A.1)

Planning Board = PB

ZBA = Zoning Board of Appeals

APPENDIX 2

Local and Regional Resources

The town of Hubbardston has a number of local and regional agencies and organizations available to help support the production of affordable housing or provide housing-related services including:

1. *Hubbardston Ad Hoc Affordable Housing Subcommittee/Zoning Board of Appeals*

The Town of Hubbardston's Zoning Board of Appeals formed the Hubbardston Ad Hoc Affordable Housing Subcommittee in 2007 as an exploratory subcommittee to make initial headway in creating affordable housing opportunities for town residents, including the oversight of this Housing Production Plan.

2. *Hubbardston Community Preservation Committee*

The Hubbardston Community Preservation Committee has been charged with the oversight of funds to be raised through the town's passage of the Community Preservation Act. In September of 2000 the Community Preservation Act was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% initially. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space and recreation, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case Town Meeting, how to spend the Community Preservation Fund. One hundred forty (140) communities have approved CPA funding to date and more than \$625 million has been raised from a combination of local CPA surcharges and matching dollars from the statewide CPA Trust Fund.

In November 2006, the voters of Hubbardston adopted the CPA, approving a 1.5% surcharge on most property taxes paid by town residents. Hubbardston voters chose to exempt low-income residents and seniors from the CPA surcharge as well as the first \$100,000 of a property's value. Hubbardston's Community Preservation Committee is comprised of nine (9) members including representatives of the Planning Board, Historic Commission, Conservation Commission, Park Commission, Open Space Commission, Housing Authority, and two (2) "Members at Large" appointed by the Selectmen. The Town collects approximately \$45,000 in local funds. Last year the state match was 67.5% but it is expected to decrease to 29% this year. To date the only housing-related expenditure has been in support of the preparation of this Plan.

3. *Hubbardston Council on Aging*

The Hubbardston Council on Aging is a Town department that supports the quality of life of the town's elders through a wide variety of services. These services include the operation of a Senior Center that offers social programs for seniors, an information and referral service on a wide range of issues, community-based services to promote independence, including free shuttle

bus transportation, as well as in-home support services. The Council relies heavily on local volunteers to support its activities.

The Council on Aging also works with the Town on a program that abates taxes for low-income seniors in exchange for minor services to the Town, for example, volunteering at a school or library. In addition to this work program, the Town also has a tax exemption program for income-eligible seniors that reduces property tax bills.

4. *Central Massachusetts Housing Alliance*

The Central Massachusetts Housing Alliance works in Greater Worcester and Worcester County to respond to the needs of the homeless or near homeless, providing a variety of support services and programs. In addition to advocating for high quality and appropriate shelters for the homeless as well as new affordable housing, the organization engages in a number of homelessness prevention initiatives, education efforts and programs directed to seniors. For example, the Alliance provides counseling services for first-time homebuyers as well as those requiring assistance with housing-related problems. It also administers the Affordable Housing Connection, which is designed to assist senior homeowners in renting their currently vacant units by providing support in tenant selection, financial and technical assistance in renovation and repairs, and other property services. The organization's Elder Homes Repair program offers additional support to help low-income seniors age in place by correcting health and safety problems.

5. *Central Massachusetts Smart Growth Alliance*

A regional affiliate of the Massachusetts Smart Growth Alliance⁴⁴, the Central Massachusetts Smart Growth Alliance includes representatives from the state organization as well as local and regional organizations and communities to discuss opportunities to promote smart growth principles in the region.

6. *Greater Gardner Community Development Corporation*

The Greater Gardner CDC is a non-profit organization, based in Gardner, which serves the communities of Hubbardston, Gardner, Templeton, Westminster and Winchendon in promoting "self sufficiency by creating affordable housing opportunities and providing additional programs that raise the economic, educational, and social levels of residents in its service area".⁴⁵ The organization provides the following services:

- Promote affordable housing to meet the needs of low- and moderate-income households.
- Provide training and technical assistance to start-up businesses and micro-enterprises as well as access to loan funds.
- Provide learning programs to promote education and employment opportunities for low- and moderate-income residents.

⁴⁴ The Massachusetts Smart Growth Alliance includes the following organizations: Boston Society of Architects, Citizens Housing and Planning Association, Conservation Law Foundation, Metropolitan Area Planning Council, Massachusetts Association of Community Development Corporations, Environmental League of Massachusetts and Fair Housing Center of Greater Boston.

⁴⁵ Greater Gardner CDC web site.

- Establish partnerships with other organizations, agencies and institutions to enhance its mission.

In regard to affordable housing, the CDC offers counseling for first-time homebuyers and as well as homeownership opportunities for qualified residents through housing rehabilitation and new construction projects.

7. *Habitat for Humanity of North Central Massachusetts*

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,100 affiliates worldwide, including one serving the North Central area of Massachusetts. Habitat International has constructed more than 200,000 homes throughout the world since its inception in the late 1970s.

Habitat for Humanity of North Central Massachusetts, based in Fitchburg, has built or renovated 19 homes that house 50 children and their families. The organization continues to look for new volunteer support as well as the donations of land, funds and materials to support their work. While Hubbardston is not currently part of its service area, they would work with the Town given that the community is currently unserved by any one Habitat affiliate organization. Habitat for Humanity of North Central Massachusetts is in fact applying to expand its service area and the timing is good to insure that Hubbardston is integrated into its area.

8. *Montachusett Opportunity Council, Inc. (MOC)*

The Montachusett Opportunity Council is a private, non-profit organization that serves as the area's community action agency providing a wide range of programs and services to improve the quality of life for low-income persons by working with communities in the Montachusett area to affect social, individual and family change and achieve self-sufficiency. Programs include adult learning and workforce development initiatives, day care and preschool education, food and nutrition services, and energy assistance (i.e., fuel assistance, utility discounts, heating system repair and replacement, and energy conservation support), family planning, and transportation.

9. *Montachusett Regional Planning Commission (MRPC)*

The Montachusett Regional Planning Commission (MRPC) serves as the regional planning agency for North Central Massachusetts and provides professional expertise to communities in the area including support for planning and program development. MRPC coordinated the preparation of Hubbardston's Community Development Plan in 2004 and had been working with Hubbardston as well as neighboring communities on a Housing Rehab Program. In 2006 MRVP did not receive additional funding for the Program, as was the case for other sponsor organizations throughout the state, however, state funding was recently restored and the program was offered again, providing rehab loans for 13 residents.

10. *RCAP Solutions (Resources for Communities and People)*

RCAP Solutions is a regional branch of a national private, non-profit organization that provides technical assistance in the areas of rural drinking water, and wastewater treatment systems, solid waste programs, housing, economic development, comprehensive community assessment and planning and compliance with environmental regulations. The organization serves as the regional housing agency and provides housing and community services to low- and moderate-income individuals and families including rental assistance programs. They manage approximately 2,200 rental subsidies including rental assistance to occupants of Hubbardston House, which they own and manage, and another to a family participating in the state's Rental Assistance for Families in Transition (RAFT) Program⁴⁶.

RCAP also provides a range of homeowner services such as first-time homebuyer education, down payment assistance, lead abatement assistance, foreclosure prevention, mortgage default counseling, and budget and credit counseling. The organization also owns and manages eleven (11) developments in the region and is pursuing new opportunities to develop and manage real estate. They own and manage Hubbardston House, a Section 202 rental housing development for low-income seniors that includes supportive services for the frail elderly.

⁴⁶ The RAFT Program is funded by the state through the Department of Housing and Community Development (DHCD) to help stabilize existing tenants to prevent homelessness. Up to \$3,000 in financial assistance can be available to eligible families earning at or below 50% of area median income in support of housing related expenses to enable them to stay in their unit such as rent arrearages, mortgage payment arrearages, utility arrearages, security deposits and first/last month rent, employment-related transportation expenses, furnishings, and monthly rental stipends.

APPENDIX 3

Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met⁴⁷:

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s

⁴⁷ Section 56.03 of the new Chapter 40B regulations.

land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community's land area.

- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA's decision to the state's Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.⁴⁸ Recently approved regulations add a new requirement that ZBA's provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and DHCD in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA's position). Either the ZBA or application can appeal DHCD's decision by filing an interlocutory appeal with the Housing appeals Committee (HAC) within 20 days of receiving DHCD's decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these “appeal-proof” grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*
Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.

⁴⁸ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

- *Certificate of Occupancy*
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued within 18 months.
- *Large Phased Projects*
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.
- *Projects with Expired Use Restrictions*
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*
Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including Hubbardston residents, employees of the Town of Hubbardston (including the school district) or employees of businesses located in town.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

New Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that their rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or

subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

B. Housing Production Regulations

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (7 units and 13 units, respectively, for Hubbardston until the new census figures are available in 2011) for approval by DHCD.⁴⁹
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure include future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -

⁴⁹ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

- Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
- Identification of specific sites on which comprehensive permit applications will be encouraged.
- Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
- Municipally owned parcels for which development proposals will be sought.
- Participation in regional collaborations addressing housing development.

Plans must be adopted by the Board of Selectmen and Planning Board, and the term of an approved plan is five (5) years.

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.⁵⁰

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”⁵¹ The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

⁵⁰ Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

⁵¹ Massachusetts General Law, Chapter 40R, Section 11.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

40R Incentive Payments

Incentive Units	Payments
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”⁵²

The principal benefits of 40R include:

- Expands a community’s planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and

⁵² “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

D. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called “friendly” 40B’s, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents⁵³

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees⁵⁴, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs

- Allowable development costs include the “as is” value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the “as is” market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's

⁵³ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

⁵⁴ DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
 - No third party mortgages are allowed for homeownership units.

Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008)).
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on "households" = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.

- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath
 2 bedrooms – 900 square feet/1 bath
 3 bedrooms – 1,200 square feet/ 1 ½ baths
 4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
 - Developer meets with Town
 - Developer and Town agree to proposal
 - Town chief elected officer submits application to DHCD with developer’s input
2. DHCD review involves the consideration of:
 - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
 - Number and type of units,
 - Pricing of units to be affordable to households earning no more than 70% of area median income,

- Affirmative marketing plan,
 - Financing, and
 - Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
- Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
 - Developer forms a limited dividend corporation that limits profits.
 - The developer and Town sign a regulatory agreement.
5. Marketing
- An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
 - Local preference is limited to a maximum of 70% of the affordable units.
 - Marketing materials must be available/application process open for a period of at least 60 days.
 - Lottery must be held.
6. DHCD approval must include
- Marketing plan, lottery application, and lottery explanatory materials
 - Regulatory agreement (DHCD is a signatory)
 - Deed rider (Use standard LIP document)
 - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD’s web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: Janice.lesniak@state.ma.us). For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. Commonwealth Capital⁵⁵

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state's goal is to invest in projects that are consistent with Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Applications can be submitted at any time and will be valid for the programs listed above throughout the current fiscal year. Communities should submit applications prior to the deadline for any Commonwealth Capital program to which they are applying to ensure that their score will count. Applications should be submitted electronically, and each community is assigned its own login and password.

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

- Public Works Economic Development Program (EOTPW)
- Bike and Pedestrian Program (EOTPW)*
- Transit Oriented Development Bond Program (EOTPW)
- Community Development Action Grant Program (EOHED and DHCD)
- State Revolving Fund (EOEEA and DEP)
- Urban Brownfields Assessment Program (EOEEA)*
- Urban Self-Help Program (EOEEA and DCS)
- Drinking Water Supply Protection Grant Program (EOEEA)

⁵⁵ This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

- Urban River Visions Program (EOEEA)*
- Coastal Pollutant Remediation Grant Program (EOEEA and CZM)
- Coastal Nonpoint Source Pollution Grant Program (EOEEA and CZM)
- Off-Street Parking Program (EOAF)
- Smart Growth Technical Assistance Program (for this program EOEEA will use inverse Commonwealth Capital scores. Unlike the other 13 programs, a primary goal of this program is to help communities with low scores improve.)

* Indicates programs that are eliminated in proposed program changes.

Changes to Commonwealth Capital add the following programs:

- Small Town Road Assistance Program (EOTPW)
- MA Opportunity Relocation and Expansion (MORE)
- Jobs Capital Program (MOBD)
- Water Transportation Capital Funding Program (EOTPW)
- Alternative Energy Property Program (EOEEA-DOER)

The application involves a maximum score of 140 points, including bonus points. The Commonwealth Capital score will account for 30% of the possible application points for any of the Commonwealth Capital programs, the other 70% points related to the purpose of the particular program and the merits of the proposed project. Communities receive points for zoning, planning, housing, environmental, energy, transportation, and other measures that already exist as well as measures they commit to implement by the end of 2009 (for this year's application). Additionally, communities can receive bonus points for successfully implementing commitments made in their 2008 applications.

The major components of the proposed Commonwealth Capital application and corresponding total point allocations are provided below:

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)
- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

A greater number of points are granted for actions that are already in place but points are also issued for commitments that have not yet been implemented.

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Hubbardston are described below.⁵⁶

A. Technical Assistance

1. *Priority Development Fund*⁵⁷

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and

⁵⁶ Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

⁵⁷ Description taken from the state's program description.

- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as “Initiatives of Exceptional Merit,” in order to increase the amount of assistance and scope of services for certain projects.

2. *Peer to Peer Technical Assistance*

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality’s satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. *MHP Intensive Community Support Team*

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

4. *MHP Chapter 40B Technical Assistance Program*

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

5. *Smart Growth Technical Assistance Grants*

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community’s Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

B. *Housing Development*

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal

government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. HOME Program

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Those communities that do not receive HOME or CDBG funds directly from HUD, like Hubbardston, can apply for up to \$65,000 per unit. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

2. Community Development Block Grant Program (CDBG)

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

The **Housing Development Support Program (HDSP)** has provided gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There is a maximum of \$500,000 plus administrative costs but the program can go up to \$750,000 per project for somewhat larger developments of up to ten units that involve mixed-use or adaptive reuse projects. A majority of the units must be affordable. All state and federal grants cannot exceed 75% of total project costs with the exception of special needs projects where such grants can amount to 100% of total costs. Funding involves a two-step process: 1) a notice of intent that provides basic information on the project, and 2) the municipality may be invited to submit a full application. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high “statistical community-wide needs”, however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects. It should be noted that through the Montachusett Regional Planning Commission, Hubbardston was a recipient of CDBG funding to support a rehabilitation loan program that served 13 residents last year.

3. *Housing Stabilization Fund (HSF)*

The state’s Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation

of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. *Low Income Housing Tax Credit Program*

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. *Affordable Housing Trust Fund*

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility

of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. *Housing Innovations Fund (HIF)*

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. *Federal Home Loan Bank Board's Affordable Housing Program (AHP)*

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. *MHP Permanent Rental Financing Program*

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. *OneSource Program*

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. *Section 8 Rental Assistance*

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

11. *Massachusetts Preservation Projects Fund*

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. *District Improvement Financing Program (DIF)*

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

13. *Urban Center Housing Tax Increment Financing Zone (UCH-TIF)*

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

14. *Community Based Housing Program*

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

C. *Homebuyer Financing and Counseling*

1. *Soft Second Loan Program*

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and

communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Hubbardston is already a participating community in the Program.

2. *American Dream Downpayment Assistance Program*

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

3. *Homebuyer Counseling*

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Hubbardston is the Gardner CDC.

4. *Self-Help Housing.*

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

D. *Home Improvement Financing*

1. *MassHousing Home Improvement Loan Program (HILP)*

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. *Get the Lead Out Program*

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court

order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

3. *Septic Repair Program*

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

4. *MRPC Rehabilitation Loan Program*

The Montachusett Regional Planning Commission (MRPC) was awarded CDBG funding from the state to resurrect the Housing Rehabilitation Loan Program that provides 0% deferred loans to qualifying property owners to make necessary home repairs. This past year 13 of Hubbardston homeowners participated in this program with others on the wait list when additional funding becomes available.

APPENDIX 4

Glossary of Housing Terms⁵⁸

Affordable Housing

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

Area Median Income (AMI)

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

Chapter 40B

The state’s comprehensive permit law, enacted in 1969, which established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

Comprehensive Permit

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

Department of Housing and Community Development (DHCD)

The state’s lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Fair Housing Act

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing

⁵⁸ Heudorfer, Bonnie, “Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies”, Citizens Housing and Planning Association with funding from the Massachusetts Housing Partnership Fund, November 2002.

and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Inclusionary Zoning

A zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

Local Initiative Program (LIP)

A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development

Development that includes housing for various income levels.

Mixed-Use Development

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Public Housing Agency (PHA)

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profit Housing Organizations

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. RCAP Solutions serves as Hubbardston's regional non-profit housing organization.

Regional Planning Agencies (RPAs)

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Montachusett Regional Planning Commission serves as Hubbardston's regional planning agency.

Request for Proposals (RFP)

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Smart Growth

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local Initiative Program (LIP), DHCD’s technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

Subsidized Housing Inventory (SHI)

This is the official list of units, by municipality, that count toward a community’s 10% goal as prescribed by Chapter 40B comprehensive permit law.

U.S. Department of Housing and Urban Development (HUD)

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.